

### Minutes of Meeting 5

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Forum Meeting 5 commenced at 8:30 am on Monday 8 Dec 08 and closed at 17:30 on Thursday 11 Dec 08. Not all agenda items were addressed in the order presented in the meeting agenda, and some agenda items were partially covered one day and completed the next. To avoid any confusion, these minutes record the meeting by agenda item in the order presented in the meeting agenda.

#### Agenda Item 1 – Opening

**Present:** Forum Members - Refaat Abdel-Malek (IHA), Marcelo Battisti (Equator Banks), David Harrison (TNC), Joerg Hartmann (WWF), Kirsten Nyman (Germany), Donal O'Leary (Transparency International), Israel Phiri (Zambia), Andrew Scanlon (Hydro Tasmania), Michael Simon (Oxfam), Daryl Fields (World Bank)  
Additional Meeting Participant – John Laidlow (Equator Banks)  
Meeting Chair - André Abadie  
Forum Coordinator - Helen Locher  
Consultation Consultant - Sarah Roberts (Arup)

**Apologies:** Forum Members – Gudni Johanneson (Iceland), Geir Hermansen (Norway), Zhou Shichun (China), Yu Xuezhong (China)

The meeting opened with a round of introductions and a welcome to all meeting participants. Great appreciation was expressed to the host, Itaipu Binacional, for their considerable support for this meeting of the Forum.

The Forum members reviewed and agreed on the meeting agenda provided as Mtg5 Paper 1. The Forum members acknowledged that the group work on section content may take longer than shown in the schedule, and agreed that the highest priorities would be to try to complete Sections I and II thoroughly.

#### Agenda Item 2 – Actions from Previous Meeting

The minutes from Meeting 4 were provided as Mtg5 Paper 2a but were not discussed, as they had already been accepted as final by agreement of Forum members out of session.

The status of actions from Forum Meeting 4, summarised in Mtg5 Paper 2b, was reviewed. A number of the actions were self-explanatory from the status report or were on the Meeting 5 agenda so were not discussed at this point. Actions not yet complete which received some discussion were actions CH10 and Z1.

CH10 - Action 10 from the China Meeting – was “The Forum Coordinator will liaise with Forum members to fill in the attributes for the key social aspects identified by the Forum (Attachment 2 to the Mtg4 minutes), and circulate this to the social issues reference group for review”. The Forum members received the full draft of the key social aspects, but because more clarification on the social issues reference group and the process of liaison with the Forum was needed, these draft aspects were not forwarded to this reference group prior to Forum Meeting 5.

**Mtg 5 Agreement 1:** *Forum members agreed on the need to clarify the name, viewpoint, membership and terms of reference for the social issues expert reference group, and agreed on Donal O'Leary to be the main point of liaison with Maninder Gill.*

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**Mtg 5 Action 1:** *Donal O’Leary to liaise with Maninder Gill to clarify the name, viewpoint, membership and terms of reference for the social issues expert reference group, with the support and involvement of Daryl Fields and Michael Simon.*

Z1 – Action 1 from the Zambia Meeting – was “The Coordinator will draft a scope of work for a consultant to review and collate the different comparative analyses of the IHA Protocol against World Commission on Dams (WCD) Strategic Priorities, the Equator Principles / IFC Performance Standards, and multi-lateral development bank safeguard policies in a form that can guide the Forum’s progress”. Two inputs to such an analysis were provided at Forum Meeting 4 – analysis of alignment of the IHA Protocol with the WCD Strategic Priorities and with the World Bank Safeguards Policies. The Forum was advised by the Equator Banks that their analysis of alignment of the IHA Protocol with the IFC Performance Standards is being reviewed by the IFC.

The Forum members were also advised that International Rivers has prepared their own assessment of the alignment of the IHA Guidelines and Protocol with the WCD Strategic Priorities and the IFC Performance Standards, and has made this assessment available to the Forum.

**Mtg 5 Action 2:** *Forum Coordinator to circulate the International Rivers analysis of the alignment of the IHA Guidelines and Protocol with the WCD Strategic Priorities and the IFC Performance Standards to Forum members and to post on the Forum external website with the other Protocol analyses.*

All other actions in Mtg5 Paper 2b that are indicated to be still in train will remain open actions to be reported on at Forum Meeting 6.

### **Agenda Item 3 – Administrative Matters**

Forum members were advised of a change in membership of the Norwegian representative. Geir Hermansen will replace Hans Olav Ibrekk as the Norwegian Forum member due to an internal restructuring of Norad and Hans Olav Ibrekk going to head another section. The Forum members thanked Hans Olav Ibrekk for his contribution to the Forum, and welcomed Geir Hermansen as a new member.

Forum members were provided with an update on the Forum budget position. At present there is a net cash deficit of £36,070. Confirmation has been received that the project should receive part of the Icelandic funding and tranche 2 of the Norwegian funding before the end of the calendar year.

£200k is sought to address the budget shortfall that has been recognised since the start of the project, and enable the Forum to complete its work plan. This will enable four Forum meetings during 2009, a full consultation / trialling program, opportunity to support meeting participants at both consultation events and meetings, research into implementation options for the Revised Protocol (how to get it most widely utilized and most effective for improving sustainability performance), and opportunity to deliver capacity development (i.e. training) sessions in application of the Protocol. As the Forum moves closer to the final stages, and trialling, consultation, implementation and training are being planned, there will be opportunity to revisit the balance of funding presently budgeted for these respective program components.

Fund-raising was discussed. A good starting point was suggested to be those donors who supported the Dams and Development Program. GTZ advised that they would be happy to assist in developing a plan to approach potential donors, with one idea being inviting donor representatives to a consultation meeting, see from the discussions if there is interest in being involved, and follow up with

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those organisations on a one-on-one basis. The donors to the Water Integrity Network were also suggested as ones to consider approaching.

**Mtg 5 Action 3:** *The Forum Coordinator to liaise with Kirsten Nyman about a plan to approach potential donors. Those Forum members interested in helping plan and/or participate in approaches to potential donors to indicate this to the Forum Coordinator by 9 Jan 09.*

The process of finalising the November 2008 Draft Forum Status Report was discussed. The Forum Coordinator advised that the document was primarily to meet obligations to the donors but was potentially useful for those stakeholders who want a detailed and consolidated background and progress report. She pointed out that the presently stipulated 30 day period to review Draft 1 followed by a 30 day period to review Draft 2 limits its usefulness, and that if it could be finalised more quickly it could be provided as a background/reference document to potential donors. The Forum members were positive about the report as it stands, but considered the document too long for broad dissemination and in need of an Executive Summary.

**Mtg 5 Action 4:** *Forum members to provide comment to the Forum Coordinator on the November 2008 Draft Forum Status Report by no later than 5 Jan 09. Draft 2 will be circulated by the Forum Coordinator by no later than 9 Jan 09, and will include an Executive Summary. Forum members will provide comment on Draft 2 by no later than 16 Jan 09.*

The process for handling additional meeting participants was discussed. The Forum Coordinator advised that there are many informal expressions of interest or proposals for additional meeting participants to come to meetings, and there has been some confusion amongst stakeholders about whether these meetings are small conferences open to the public or not. The Forum Coordinator felt that Forum members should not be bothered with decisions on ad hoc proposals, and clarity on process was required so that she would know which proposals should be circulated and how decisions would be reached. It was considered important to clarify the purpose of any invitation, for example to provide a critical sectoral view not represented in the membership, to provide expertise on a particular topic area on the meeting agenda, to build relations with a particular stakeholder or stakeholder group, or other reasons. It was also considered important to clarify if the role of the additional meeting participation was active or an observer role.

**Mtg 5 Agreement 2:** *Forum members will discuss and form a view at each Forum meeting on the need for additional meeting participants at the next Forum meeting, in light of the agreed purpose and objectives of the next meeting.*

**Mtg 5 Agreement 3:** *The process for additional meeting participants is:*

- 1. Proposals for additional meeting participants are those brought by Forum members to the Forum Coordinator in writing with a clear case made for the additional meeting participant in light of the meeting objectives and agreements at previous Forum meetings.*
- 2. Proposals must be received no less than 2 weeks prior to the relevant Forum meeting.*
- 3. Written proposals will be circulated to all Forum members and the Forum Chair for their awareness at the time of initial contact with the Forum Coordinator.*
- 4. The Forum Coordinator will discuss with the member who brought forward the proposal the alternative means by which the objective could be achieved.*
- 5. If the option of having an the additional meeting participant appears to be the best option to achieve the objective, the proposal will be circulated to all Forum members for their views.*
- 6. The Forum Chair makes the final resolution.*

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*

**Agenda Item 4 – Principles for Consensus Building**

The Forum Coordinator reminded the Forum members of the Principles for Consensus Building that were agreed at the Santa Rosa meeting (Jul 08). The general view of Forum members is that all is going very well, and there are no problems apparent with the ability of the Forum to achieve its objectives. However the Forum is moving into a more challenging series of meetings where issues that were not resolved at earlier meetings need to be clarified and resolved, and the Forum Coordinator was interested to know if there are experiences from other cross-sectoral processes that might help the Forum anticipate and avoid any difficulties down the track. The Forum Coordinator flagged that she had been in discussion with an organization called The Partnering Initiative (TPI) based in London, who have worked with a number of cross-sectoral processes and have compiled insights and suggestions based on those experiences into a toolbox and toolkit for partnerships. TPI provided information to the Forum about the services it can provide, and these were circulated to Forum members for their awareness. Forum members were made aware that there are other organizations that provide similar services, for example Building Partnerships for Development, a multi-stakeholder organization which facilitates partnership building in the water supply and sanitation sector.

**Mtg 5 Action 5:** *Forum members to consider if and what sort of support and advice on function and consensus building for cross-sectoral partnerships might be beneficial to ensure optimal outcomes from the Forum process.*

**Agenda Item 5 – Climate Change**

The climate change agenda item comprised presentations and discussion on three facets of climate change relevant to the Protocol's considerations: hydrological variability; greenhouse gas emissions from reservoirs; and carbon markets. The objective of these presentations was to scope the relevant issues in the context of how they could best be incorporated into the Draft Revised Protocol.

**Hydrological Variability**

Joerg Hartmann from WWF led the presentation/discussion on the issue of hydrological variability arising from climate change. The presentation covered the natural variability of climate and run-off on temporal and geographic scales, and the ability to predict variability. The presentation showed the International Panel on Climate Change (IPCC) forecasts for changed hydrology on global, regional and project-level scales, and showed predicted changes in total annual discharge in 2050 for some major rivers. It was posed that the assumption of stationarity – that natural systems fluctuate within an unchanging and known envelope of variability – may no longer be valid for water managers due to climate change. The relevance to hydropower of changes in total/seasonal runoff, in the frequency/magnitude of extreme events, and of secondary effects of climate change such as erosion and sedimentation were presented. Four approaches were identified for managing hydrological risk:

- mitigation, e.g. in the case of low inflows by adding storage capacity or by pooling generation assets;
- avoidance, e.g. for low inflows by abandoning a hydropower project;
- acceptance, e.g. for low inflows by going ahead with designs based on historical hydrology; and
- transfer, e.g. for low inflows by buying insurance (such as weather insurance) or concluding PPAs without firm delivery commitments.

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With respect to the Protocol, climate change induced hydrological variability is critical to management of the hydrological resource, operational efficiency, siting and design, and touches on many other issues including safety, reliability, economic viability, reservoir management, and environmental flows. It is necessary to ensure that uncertainty and adaptation can be accommodated for in the planning, design and operation of hydropower.

Discussion points included but were not limited to:

- the issue of safety becomes much more important, particularly for many existing dams and reservoirs;
- a potential difficulty is that people will have different sets of hydrological statistics;
- changes to hydrological inflows can be a much bigger issue than for one project, for example if a country's operating system is based on analysis of long-term records there can be fundamental problems for that whole system;
- livelihood and food perspectives associated with water resource management need to be taken into account;
- there may be a need for dedicated storages to deliver environmental flows;
- multi-purpose facilities can have a role in managing overall water management risks;
- there are some good examples of how planning, design and operation of hydropower facilities deal with uncertainties and adaptation to ongoing changes; and
- changes in hydrology may accelerate/accentuate needs for multi-purpose water management, with implications for the whole life cycle of the infrastructure.

**Greenhouse Gas (GHG) Emissions from Reservoirs**

Joerg Hartmann from WWF led the presentation/discussion on the issue of greenhouse gas emissions from reservoirs. The primary GHGs associated with hydro reservoirs are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (NO<sub>2</sub>). Methane is the most significant one to be addressed with reservoir emissions, with a 23x greenhouse warming potential compared to CO<sub>2</sub>. The main source of methane is the breakdown under anaerobic conditions of organic material; in a reservoir this can result from decomposition of biomass that was submerged upon reservoir creation, that enters the reservoir later, or that grows in the reservoir. It was noted that reservoir emissions are only one component of the GHG footprint of a hydropower project, other include but are not limited to construction materials, transport, deforestation, and changes to the sediment dynamics in the river basin.

The presentation walked through the biogeochemical processes operating in a reservoir relevant to the carbon cycle. The need to understand the original function of the landscape as a net source or sink for carbon was emphasized, so that it can be understood how and the degree to which this function changes with reservoir creation. Shallow tropical reservoirs were identified as being most likely to emit GHGs because they tend to develop anaerobic conditions and have significant biomass available.

A number of options to reduce GHG emissions from reservoirs were listed: vegetation management prior to flooding; catchment management initiatives; a multiple off-take; site selection; water residence time; in-reservoir oxygenation systems; an off-set sequestration program; and methane capture. In the context of the Protocol, the GHG emissions for new and existing projects should be evaluated and reduction options pursued as far as possible. Methodological guidance is required, with the work being done by IHA/UNESCO, the IPCC and independent scientific processes contributing to this. It

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was noted that this guidance should be translated into clear eligibility and accounting rules for carbon trading; at present CDM uses a power density rule (generation capacity/m<sup>2</sup> full reservoir area) which rewards smaller storages and does not consider complexities such as net emissions, life cycle trends, climatic zone differences, etc.

Discussion focussed around how the issue of GHG emissions from reservoirs was best captured in the different Protocol sections, and clarification on the methodological issues. This strayed into the issue of carbon markets, which was the next presentation.

**Carbon Markets**

John Laidlow from HSBC (Equator Banks) led the presentation/discussion on the issue of carbon markets and hydropower. The presentation provided background on carbon markets putting a price on GHG emissions to provide a monetary incentive to reduce emissions; some relevant details from the Kyoto Protocol which provides a foundation for carbon markets; and an indication of where Clean Development Mechanism (CDM) and Joint Implementation (JI) projects fit into this framework. Compliance markets (e.g. EU Emissions Trading Scheme) versus voluntary markets (e.g. banks) were explained, as were allowance-based versus project-based carbon credits. The model for project-based credits was shown to be a developed country company providing both payment and technology transfer to a developing country company to develop a hydropower project, in return receiving the eligible carbon credit; it was noted that in fact the technology transfer is not always realized.

The breakdown of CDM projects and buyers of these credits was shown. Hydro projects were seen to be 12% of CDM projects by share of volumes supplied in 2007. There were 1,109 hydro projects in CDM in 2007, but only 23% were registered. Issues around hydro projects were identified to include:

- ▶ Delay in registration
- ▶ Rejection of projects
  - Failure to meet additionality requirements
  - Emissions of alternatives, financial benchmarks, poor due diligence
- ▶ Differing criteria
  - CDM thresholds relating to power density (generation capacity per m<sup>2</sup> of flooded surface area)
  - CDM defines large hydro as greater than 15MW
  - EU ETS defines large hydro as greater than 20MW and requires compliance with World Commission on Dams. Discretion is applied.
  - Other host and investor country (or company) requirements
  - Voluntary markets
- ▶ Consensus on Greenhouse Gas Emissions
- ▶ Successor to Kyoto Protocol

In the discussion the Forum members thought that additionality should not be a concern of the Protocol. The number of hydropower projects in CDM was discussed, with concerns raised that one cannot be confident that these are good projects. Forum members commented that anything the Forum can do to create a tool to assist good decisions, to help the process of financially supporting good hydro projects, would be a good contribution. It was thought that the appropriate place to mention carbon markets in the Protocol is under financial viability, but that this would be further explored when looking at Protocol section content.

**Agenda Item 6 – Considerations to Guide Evaluation of Revised Protocol Content**

Agenda item 6 was a series of considerations that would help guide evaluation of the section-by-section Protocol content in following agenda items.

**6a. Consultation Document**

The first consideration was the document that is going to come out of this meeting and go to the public for review during the consultation period in Jan-Feb 09. Creating a vision of this product could help guide the meeting considerations. Mtg5 Paper 6a provided a draft table of contents for a document that would present information about the Forum, the objectives and process, the content achieved to date, and consultation questions.

Points raised in discussion included:

1. Need to keep in mind not to have too large a document;
2. There could be several documents, for example separating out the information about the Forum from the draft Protocol content; and
3. Reducing the number of aspects may not be the best approach, because a large number of single dimension aspects may be easier to process than fewer compound ones.

It was agreed that the form of the documents to go to consultation would be resolved under agenda item 12, the Jan-Feb 09 consultation plan.

**6b. Draft Definitions of Terms**

Mtg5 Paper 6b was a set of terms used in the Protocol and draft definitions, guided by Figure 1. Forum members agreed that the terms in this paper were those that should be utilized in the Protocol.

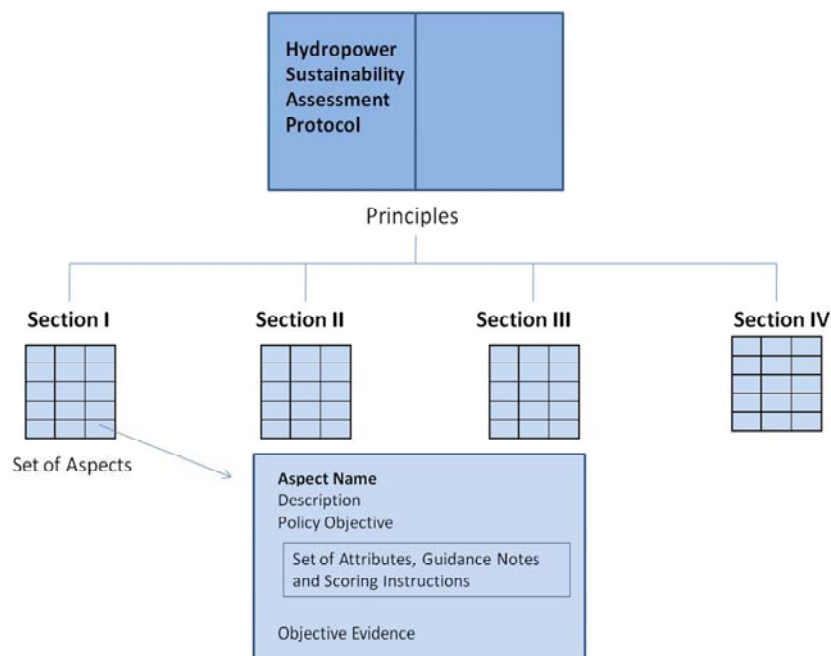


Figure 1 – Terms in the Protocol for which Definitions are Provided

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An important discussion point was having principles and policy objectives in the Protocol, and what is the distinction between the two. The principles underpin the Protocol as a whole, whereas a policy objective is associated with each aspect and answers the questions “why are we looking at this” and “what are we trying to achieve?”.

**Mtg 5 Agreement 4:** *The Protocol should be anchored around a set of principles and policy objectives. Principles are an agreed set of core sustainability values of the Hydropower Sustainability Assessment Forum members that underpin the Protocol. The policy objective associated with each of the Protocol aspects identifies what is trying to be achieved.*

During the course of the Forum meeting, as difficulties were encountered in reviewing and determining section content, the Forum members returned several times to Mtg5 Paper 6b and refined some of the definitions. The final set of definitions is provided as Attachment 1 to these minutes, and will be provided in the documentation that goes out to consultation.

**Mtg 5 Agreement 5:** *A draft set of Protocol definitions are agreed to be those that are summarised in Attachment 1 to the Forum Meeting 5 minutes.*

In relation to the definition and content of principles and policy objectives, the Forum members discussed ownership of the product coming out of the Forum. There is no guidance provided in the Memorandum of Understanding signed by Forum members. The discussion centred around whether the objective of broad endorsement for a sustainability measurement tool would be facilitated by an HSAF product or an IHA product. A number of Forum members were of the understanding that they were working on a joint product, and felt that it could be more influential if the end product was not purely an IHA document.

**Mtg 5 Agreement 6:** *The Forum members agree that they would like documents produced by the Forum to be HSAF documents, to reflect the consensus and endorsement of these documents by the Forum members.*

#### **6c. Draft Principles**

The Forum members reviewed a set of draft principles, provided as Mtg5 Paper 6c. Forum members were broadly supportive of the draft principles in the meeting paper, but proposed some wording improvements which are shown in Attachment 2 to these minutes.

**Mtg 5 Action 6:** *Forum members to review the draft principles provided in Attachment 2 to the Forum Meeting 5 minutes, and provide any suggested changes to the Forum Coordinator by no later than 5 Jan 09.*

#### **6d. Common Attributes**

Mtg5 Paper 6d showed some examples of common process and performance attributes, to assist Forum members in understanding the difference between process and performance when considering Protocol content in later agenda items. These were discussed, but no confirmation was reached. Forum members wanted to work on the section content and try out what would work best for the different aspects.

When working through the section content, Forum members referred back to this paper and paper 6b on definitions of terms. Where clarifications were felt needed, the wording in the definition for attributes was amended, with the final wording of the attribute definition provided in Attachment 1.

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An important clarification realized during the course of the meeting was that for each aspect the performance attributes need to be assessing performance against some basis, the policy objective establishes this basis, and so these two need to show consistency.

#### **Agenda Item 7 – Section I**

To review the draft Section I content provided in Mtg5 Paper 7a, the Forum members first reviewed in plenary the draft policy objectives for each of the five Section I aspects, provided as Mtg5 Paper 7b. It was agreed that there should be a two-sentence policy objective for each of the Section I aspects. This is because Section I potentially serves two roles: it can assess the environment within which a hydropower project might emerge (e.g. this assessment might be done by a developer to identify risks, opportunities and gaps), and it can assess the fit of a potential hydropower project within the strategic environment (e.g. a financier might assess this to determine whether they invest in preparation of a project). The first sentence of the policy objective for each aspect in Section I would address the case where there was no hydropower project being considered, and the second sentence would address the case where a hydropower project was being considered.

The Forum members then formed five groups, and each group reviewed one aspect to re-assess the definition, policy objective, process and performance attributes, and any other content material such as examples of objective evidence or guidance notes.

The groups reported back to the plenary, and each aspect and the draft content was reviewed and discussed in turn.

Joerg Hartmann provided a more detailed presentation of the Institutional Capacity aspect so that Forum members could discuss how these aspects might look down the track, particularly with respect to scoring. This is provided as Attachment 3. Forum members found the way the attributes were expressed in this template was very helpful, to show what it is about the aspect (e.g. level of, quantity of, degree of...) that is scored. Forum members also thought that the provision of examples of assessment questions would be useful in the document that goes out to consultation. Note that at this stage the Forum is not detailing how the score is defined for each aspect. It will be noted in the consultation document that there will be an aggregate score for each aspect, but the methodology to calculate this score has not yet been determined.

Review and refinement of the Section I aspects was an iterative process, because considerations arising from examination of the Section II aspects prompted revisiting some of the Section I content on comparable aspects.

***Mtg 5 Action 7:*** Forum meeting attendees to review and complete the latest drafts of the Section I content and provide comments or updates to the Forum Coordinator by no later than 5 Jan 09.

#### **Agenda Item 8 – Section II**

Examination of the draft Section II content provided in Mtg5 Paper 8a involved two exercises. The first was a plenary exercise to agree on key Section II aspects. This was assisted by asking all meeting attendees to indicate agreement or disagreement on proposals arising from group work at Forum meeting 4 (Mtg5 Paper 8b). This session reduced the list of Section II aspects from 42 to 32, with the understanding that there could be further refinement once the exercise of determining definitions, policy objectives, and attributes had been undertaken for each.

These changes were as follows:

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*Demonstrated Need* - Retained as an aspect.

~~*Strategic Fit*~~ - Removed as its own aspect. Merged into *Demonstrated Need*

~~*Political Risk*~~ – Removed as its own aspect. Merged into *Regulatory Approval* and *Governance*.

*Transboundary Issues* - Retained as an aspect.

*Regulatory Approval* - Retained for now as its own aspect, to be further evaluated.

*Governance* - Retained as an aspect. Name changed to show it is relevant to governments and does not include corporate governance. Name suggestions – National Governance? Public Sector Governance?

*Site Selection and Design Optimisation* - Retained as an aspect

*Integrated Project Management Planning* - Retained as an aspect. Corporate governance may be picked up under this aspect, or if this does not seem to work, Corporate Governance would be included as its own aspect.

*Economic Viability* - Retained as an aspect

*Financial Viability* - Retained as an aspect

*Social Impact Assessment* - Retained as an aspect

*Social Management Plan* - Retained as an aspect

*Cultural Heritage* - Retained as an aspect

*Indigenous Peoples* - Retained as an aspect

*Public Health* - Retained as an aspect

*Resettlement* - Retained as an aspect

~~*Conflict Analysis*~~ - Removed as its own aspect. Picked up in relevant aspects as an attribute, for example in the *Transboundary Issues* aspect.

*Affected Communities* - Retained for now as a separate aspect. This will be further evaluated as to whether it is already adequately picked up in other aspects, or whether it should be an attribute.

~~*Consultation and Support*~~ – Removed as an aspect. Incorporated as an attribute in a number of relevant aspects.

~~*Social and Economic Development*~~ – Removed as an aspect, because it is already well picked up in other aspects.

*Community Acceptance* - Retained as an aspect

*Safety* - Retained as an aspect. Renamed to *Asset and Community Safety*

*Labour and Working Conditions* - Retained as an aspect. General support for renaming the aspect, but no other names have been forthcoming. This is the name used in the IFC Performance Standards.

~~*Stakeholder Identification*~~ - Removed as its own aspect. Picked up in relevant aspects as an attribute.

*Suppliers and Service Providers* - Retained as an aspect. Name changed to *Procurement*.

*Grievances, Complaints and Dispute Resolution Mechanisms* - Retained for now as an aspect.

Renamed *Grievance and Dispute Resolution*. Retaining as a separate aspect will be further evaluated, as it may be satisfactorily picked up in a number of relevant aspects as an attribute.

*Communications* - Retained for now as an aspect. Retaining as a separate aspect will be further evaluated, as it may be satisfactorily picked up in a number of relevant aspects as an attribute.

*Benefit Sharing* – Retained as a separate aspect, and renamed *Project Benefits*.

~~*Additional Benefits*~~ – Removed as an aspect. Merged into *Project Benefits*.

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~~Asset Reliability and Efficiency~~ – Removed as an aspect. Merged into *Site Selection and Design Optimisation*

*Management of the Hydrological Resource* – Retained as an aspect.

~~Associated Infrastructure Impacts~~ – Removed as an aspect. Merged into both *Environmental Impact Assessment* and *Social Impact Assessment*.

*Environmental Impact Assessment* - Retained as an aspect

*Environmental Management Plan* - Retained as an aspect

*Construction Management Plan* - Retained as an aspect

*Catchment Management* - Retained as an aspect

*Reservoir Management* - Retained as an aspect

*Environmental Flows* - Retained as an aspect. It was agreed that this should be renamed to reflect that downstream flows are to meet multiple objectives not just environmental, and should include the word 'Downstream', but no resolution reached on this.

*Biodiversity, Habitats & Protected Areas* - Retained as an aspect

*Pest & Invasive Species* - Retained as an aspect.

*Sedimentation and Erosion* - Retained as an aspect

~~Water Quality~~ - Removed as an aspect. Picked up for now under *Management of the Hydrological Resource* and other relevant aspects, to be re-evaluated once the draft content is reviewed.

**Mtg 5 Agreement 7:** *The Forum members agreed to work with the Section II aspects in Table 1, to be reviewed once all of the aspect content has been drafted and circulated to Forum members for comment.*

Section II Economic / Technical / Governance Aspects	Section II Social Aspects	Section II Environmental Aspects
Demonstrated Need	Social Impact Assessment	Environmental Impact Assessment
Governance	Social Management Plan	Environmental Management Plan
Transboundary Issues	Cultural Heritage	Catchment Management
Regulatory Approval	Indigenous Peoples & Ethnic Minorities	Reservoir Management
Site Selection and Design Optimisation	Public Health	Environmental Flows
Integrated Project Management	Resettlement	Biodiversity, Habitats & Protected Areas
Economic Viability	Affected Communities	Pest & Invasive Species
Financial Viability	Community Acceptance	Sedimentation and Erosion
Management of the Hydrological Resource	Asset & Community Safety	
Construction Management Plan	Labour and Working Conditions	
Procurement	Grievance and Dispute Resolution	
	Communications	

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	Project Benefits	
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*Table 1 – Working Set of Section II Aspects Resulting from Discussions at Forum Meeting 5*

Some Forum members expressed an interest in further assessing coverage of technical issues. While these issues are addressed in such aspects as project management or as attributes within existing aspects, it was noted that further review may call for additional technical aspects (e.g. geological risk assessment).

With the reduced list of Section II aspects, the meeting attendees were divided into three groups which addressed one set of either the economic/technical, environmental or social aspects for Section II.

These groups worked to an agreed template which set out a common approach to the definition, policy objective and attributes. This template is provided as Attachment 4 to these meeting minutes. The meeting attendees ran out of time to review the work completed by groups other than their own. Therefore all draft aspect content produced in Forum Meeting 5 will be circulated amongst and reviewed by meeting attendees out of session, and the resultant Section II content provided in the consultation report to be made public in January.

**Mtg 5 Action 8:** *Forum meeting attendees to review and complete the latest drafts of the Section II content and provide comments or updates to the Forum Coordinator by no later than 5 Jan 09.*

**Agenda Item 9 – Free, Prior and Informed Consent**

Michael Simon from Oxfam provided a presentation and facilitated discussion on Free, Prior and Informed Consent (FPIC). The objective of this agenda item was to consider the scoping of this issue in the context of the Protocol. The presentation covered what is FPIC, where it comes from, why it is important for the Forum’s considerations, who it applies to, and why it is good for business. The presentation included various definitions of FPIC, and examples of how it has been incorporated by other sectors. Forum members were made aware that FPIC is a right recognised in the Declaration of the Rights of Indigenous Peoples (DRIP), adopted by the UN General Assembly in Sept 2007, and recognised as a right and principle in a number of other UN conventions and international policy frameworks.

Some major points of the presentation included:

- The principle underlying FPIC is that people potentially affected by a project (often ethnic minorities or indigenous peoples) have rights to information and rights to determine decisions about the project;
- A project which achieves FPIC can know that they are working *with* affected peoples and that they have achieved a ‘social license to operate’; and
- Consultation is a key process but in and of itself does not constitute or replace consent. The possibility that projects may be rejected must be acknowledged.

Some additional points were that the form of consent can, will and should vary; communities should pick their own leaders; consent should be for the life of the project not just once off; access to information is critical; and consent is best achieved through formal and binding agreements.

A basic premise of the presentation was that FPIC can be an opportunity, and by adopting a rights based approach to development, hydropower can move towards better sustainability outcomes.

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*  
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Looking at where FPIC would fit into the Protocol, Michael Simon suggested that FPIC is relevant in the stand-alone aspects of Indigenous Peoples and Community Acceptance, and also as a key concept in a range of other aspects which might include stakeholder analysis; benefit sharing; complaints mechanisms; dispute resolution mechanisms; land acquisition and resettlement; participatory EIA/SIA; etc.

In the discussion following the presentation, the Equator Banks advised the Forum that they have struggled with several aspects of FPIC, including who it applies to and how one defines consent (e.g. 99% in favour?). As a consequence, the Equator Banks have interpreted FPIC as Free, Prior and Informed Consultation, and apply this to every project and all people whether ethnic or not. The Forum was also advised that the mining sector have adopted “broad community support” as an objective, but that individuals do not have veto rights.

The relevance to FPIC of strongly developed legal frameworks recognising rights and entitlements, and avenues for lodging complaints or appeals or seeking redress, in the developed world was discussed, with the example given of eminent domain in the US. It was pointed out that often in developing countries there are poor legal frameworks, an inability to arbitrate, etc, but that for the Protocol the legal frameworks presented a useful comparison.

Practical difficulties with obtaining consent on a project at an early stage when it was not well-defined was discussed, as was the increasing leverage an individual has to veto a project as it moves down the project development track and the level of investment increases. Some discrepancy amongst the definitions in the presentation slides about whether or not FPIC includes a veto right, and applies to all people or just ethnic people, was discussed. The potentially huge numbers that FPIC could apply to with a hydro project, especially a transboundary one, was discussed. It was thought that relative to hydro projects, mining projects might affect smaller or more concentrated numbers of people. It was also pointed out that the question of who is indigenous raises a lot of issues.

Michael Simon felt it important to move away from the framing of FPIC with terms such as blackmail and project stoppers, and that a better approach is thinking about the community as a partnership with a focus on benefit sharing. He also recommended that seeking specific feedback from indigenous peoples groups and IP experts on HSAF draft wording regarding FPIC should be a key process undertaken in consultation period/s.

Within the context of the Protocol, it was posed in the discussion that the considerations about FPIC can be framed as two fundamental objectives:

1. That people are better off; this is welfare.
2. That people feel better treated; this is acceptance.

The Forum members felt that it was possible to treat this issue within the graded assessment process that was utilised by the Protocol, with Community Acceptance being a critical aspect in this regard. It was noted that “consent” seems to give one side the trump card and “consult” seems to give it to the other side. An important principle drawn out from the discussions was that both sides should have the leverage to negotiate conditions.

**Agenda Item 10 – Section III**

The meeting schedule only permitted review of the Section III aspects so that they would be consistent with those in Section II. Time did not permit review of Section III aspect content.

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*

**Mtg 5 Agreement 8:** *The Forum members agreed to work with the Section III aspects in Table 2, to be reconsidered once all of the aspect content has been developed and evaluated.*

Section III Economic / Technical Aspects / Governance	Section III Social Aspects	Section III Environmental Aspects
Integrated Project Management	Social Management Plan	Environmental Management Plan/System
National Governance	Cultural Heritage	Catchment Management
Transboundary Issues	Indigenous Peoples	Reservoir Management
Corporate Governance	Public Health	Downstream and Environmental Flows
Construction Management Plan	Resettlement	Biodiversity, Habitats and Protected Areas
	Community Acceptance	Pest and Invasive Species
	Labour and Working Conditions	Sedimentation, Erosion and Water Quality
	Suppliers and Service Providers	Waste, Noise and Air Quality Management
	Grievance and Dispute Resolution	
	Communications	
	Project Benefits	
Asset and Community Safety		

*Table 2 – Working Set of Section III Aspects Resulting from Discussions at Forum Meeting 5*

**Mtg 5 Action 9:** *Forum Coordinator to draft the aspect content for the Section III aspects and bring to Forum Meeting 6.*

### Agenda Item 11 – Catchment Management

The catchment management agenda item was focused on the policies and practices being undertaken by Itaipu Binacional. Itaipu Binacional is a 14,000 MW shared hydropower development between the countries of Brazil and Paraguay, with the two countries sharing the dam and power station assets and energy production. At a welcome dinner for the Forum members, Jorge Habib Hanna El Khouri, Superintendent of Engineering from Itaipu Binacional, provided a presentation on the development of the hydropower project and the transboundary agreements, and Nelton Miguel Friedrich, Director of Coordination from Itaipu Binacional, provided a presentation on Itaipu's environmental and social programs. During the meeting the Forum members were able to view several elements of these programs.

Itaipu's catchment area covers 820,000 km<sup>2</sup>, the reservoir area covers 1,350 km<sup>2</sup>, and the predominant land use in the basin is agriculture, mainly soy, corn, coffee and sugar cane production. The basin includes the most industrialized region of the country. The meeting attendees were able to

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do a fly-over of the power station assets and part of the catchment and downstream area. They were able to observe the 10,100 m long fish passage system, the protection belt (210 m average wide, 2,919 linear km, 607 km<sup>2</sup> in area, 23,000,000 tree seedlings) that is planted around the perimeter of the reservoir, the major land uses and cultivation practices, and the 39 km long by 60 m wide biological corridor being developed to link the Iguassu National Park with other reserve areas. Meeting attendees were also able to have a brief tour of the Bela Vista Biological Refuge where the Forum meeting was held, part of Itaipu's protection areas that add up to 400 km<sup>2</sup>.

Some of the important catchment management issues brought to the attention of the Forum members were protection, management and enhancement of biodiversity; passage of aquatic species; erosion minimization strategies; water quality management; sustainable farming practices; and community engagement, ownership and understanding of sustainable catchment management.

**Agenda Item 12 – January-February 2009 Consultation Plan**

Sarah Roberts, the Forum Consultation Consultant, led the Forum members through the preparation requirements for the Jan-Feb 09 consultation period.

Forum members re-confirmed the objectives of the Jan-Feb 09 consultation. These are to establish relationships with stakeholders, assist stakeholders to understand the Forum process and progress, and provide opportunity for feedback, as a first phase to be followed by a more in-depth consultation phase during Jul-Aug 09.

Forum members discussed:

1. Proposed networking sessions, their timing, and who would attend and organize which ones.

**Mtg 5 Action 10:** *The Consultation Consultant to circulate the summary of proposed network sessions to Forum members by no later than 19 Dec 08. Forum members to confirm dates, events and their availability to the Consultation Consultant by no later than 5 Jan 09.*

**Mtg 5 Agreement 9:** *The Forum should have a stakeholder outreach side event at the World Water Forum, but this has to be understood to be outside of the Forum's formal consultation phase 1.*

**Mtg 5 Action 11:** *The Forum Coordinator to discuss with the IHA how the World Water Forum stakeholder outreach can be set up.*

2. Target individuals and organizations and who might approach which ones.

**Mtg 5 Action 12:** *The Consultation Consultant to circulate the stakeholder database, with contact names and emails for target individuals and organisations, to all Forum members by no later than 19 Dec 08. For stakeholders already listed, Forum members to respond with contact details, where known, and to suggest the type of contact required (e.g. email contact only, Forum member to contact, or Consultation Consultant to contact) and indicate priority. Forum members to respond to the Consultation Consultant on this document by no later than 5 Jan 09.*

**Mtg 5 Agreement 10:** *Where there is a duplication of individuals targeted for a particular organisation, or if more than one Forum member wants to be the lead point of liaison, the Consultation Consultant to sort out the approach to be taken to that organisation with the Forum members involved.*

\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.

3. The web-based questionnaire, the key questions to include, how stakeholders would access this questionnaire, and the ability to drill down to increasing levels of detail.

**Mtg 5 Agreement 11:** *Forum members agreed that response to the web-based questionnaire would not require respondents to provide a name unless they chose to do so. If possible, the web-based platform would allow respondents to choose the level of detail at which they respond, including the ability to drill down to aspect-by-aspect questions using a logic flow.*

**Mtg 5 Action 13:** *The Consultation Consultant to investigate the potential for the web-based questionnaire to drill down to differing levels of detail depending on the wishes of the respondent.*

4. The stakeholder email database. Examples of sources of contacts and emails were identified to be the IHA congress database; the DDP database; and the conference attendee databases for HydroVision, World Water Week and the World Water Forum.

**Mtg 5 Action 14:** *Forum members with access to stakeholder lists for the IHA Congress, DDP, HydroVision, World Water Week and the World Water Forum to pass onto the Consultation Consultant as soon as possible.*

5. The email cover letter.

**Mtg 5 Agreement 12:** *Contact emails are to be sent under signature of the Forum Coordinator, from a dedicated email address set up for consultation purposes. The emails will have links to a summary power point presentation, the consultation documents, and the web-based questionnaire.*

**Mtg 5 Action 15:** *The Consultation Consultant will circulate the draft email cover letter to Forum members by no later than 19 Dec 08. Comment must be received by the Consultation Consultant by no later than 5 Jan 09.*

6. Materials to support the consultation. These include a summary document, the working document with draft Protocol content, and frequently asked questions; and the timing and process by which the consultation documentation would be developed and reviewed by Forum members.

**Mtg 5 Agreement 13:** *There will be a stand-alone four-page HSAF Consultation Phase 1 Document. This will be about the Forum objectives, process, progress, and consultation and will be designed to be useful both for general Forum information and for this consultation period. This document will make it clear where the Forum is in the process at this point in time. This document will direct interested stakeholders to the web for pertinent information.*

**Mtg 5 Agreement 14:** *There will be a HSAF Draft Revised Protocol Key Components Document. This will provide the overview of Protocol key components; section overview and list of aspects for all four sections; compressed section content for Sections I and II as per the aspect template developed at Forum Meeting 5; the example of the Institutional Capacity aspect fuller presentation provided as Attachment 3 to the Forum Meeting 5 minutes; and an explanation of the next steps.*

\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.

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**Mtg 5 Action 16:** *The Forum Coordinator to draft the HSAF Draft Revised Protocol Key Components Document content, compiling all aspect content provided by Forum members, and making (and tracking) any changes to the content that promotes consistency and clarity of language for stakeholders.*

**Mtg 5 Action 17:** *The Forum Coordinator and Consultation Consultant to circulate the HSAF Consultation Phase 1 Document and the HSAF Draft Revised Protocol Key Components Document by no later than 9 Jan 09 and circulate to Forum members. Any comments on these documents must be received by no later than 14 Jan 09. The final documents will be available for circulation and on the Forum website by 16 Jan 09.*

**Mtg 5 Action 18:** *The Consultation Consultant will circulate draft Frequently Asked Questions and proposed answers to Forum members by no later than 19 Dec 08. Comment must be received by the Consultation Consultant by no later than 5 Jan 09.*

7. The timing, content and structure of the consultation outcomes report to be provided to Forum members for the Turkey Forum meeting in Mar 09.

**Mtg 5 Agreement 15:** *The consultation phase 1 closes on 28 Feb 09. The Consultation Outcomes Report is due 6 Mar 09, for circulation to Forum members in time for them to discuss at Forum Meeting 6 (10-13 Mar 09). This report will include a summary of the consultation undertaken during Jan-Feb 09; an overview of the response received; a listing of the key issues that require response; the Consultation Consultant's recommendation on how these issues should be responded to; an evaluation of the strengths and weaknesses of the consultation process; and any recommendations on consultation phase 2 (Jul-Aug 09).*

### Agenda Item 13 – Guidance Notes

The meeting attendees discussed what they had in mind in terms of guidance notes to accompany the Protocol. All agreed that guidance notes would be an important component of the Draft Revised Protocol. There were differing ideas on how they would be presented, e.g. as a few detailed notes on key issues, as simple sentence notes, as full page documents, or a mix. One model discussed is to have one guidance note for each aspect and supplementary guidance notes for key cross-cutting issues. There were also mixed views on whether the Forum members produce these themselves versus contracting the work out. Areas flagged as priorities for guidance notes were communications, transparency, auditing, environmental flows, community support, free prior and informed consent, human rights, grievance mechanisms, and some of the common process attributes such as scope and participation.

**Mtg 5 Action 19:** *The Forum Coordinator to investigate with Forum members their views on guidance notes, the form they might take, what the priority areas might be, and report back to the Forum with a proposal for how guidance notes can be addressed in a comprehensive, systematic and uniform manner.*

### Agenda Item 14 – ‘Parking Lot’ Issues

During this agenda item, Forum members revisited some of the earlier agenda items that had not been completed. The minutes record most of the discussion and resolutions under their relevant agenda items.

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*

**Agenda Item 15 – Section IV**

The meeting schedule only permitted review of the Section IV aspects so that they would be consistent with those in Section II. Time did not permit review of Section IV aspect content.

**Mtg 5 Agreement 16:** *The Forum members agreed to work with the Section IV aspects in Table 3, to be reconsidered once all of the aspect content has been developed and evaluated.*

Section IV Economic / Technical / Governance Aspects	Section IV Social Aspects	Section IV Environmental Aspects
Transboundary Issues	Social Management Plan	Environmental Management
Corporate Governance	Cultural Heritage	Catchment Management
Financial Viability	Indigenous Peoples	Reservoir Management
Markets, Innovation and Research	Public Health	Environmental Flows
Management of the Hydrological Resource	Labour and Working Conditions	Biodiversity, Habitats and Protected Areas
Asset Reliability and Efficiency	Suppliers and Service Providers	Pest and Invasive Species
	Grievance and Dispute Resolution	Sedimentation and Erosion
	Communications	Water Quality
	Asset and Community Safety	
	Project Benefits	

*Table 3 – Working Set of Section IV Aspects Resulting from Discussions at Forum Meeting 5*

**Mtg 5 Action 20:** *Forum Coordinator to draft the aspect content for the Section IV aspects and bring to Forum Meeting 6.*

**Agenda Item 16 – Forward Work Plan**

The logistics and work plan for Forum Meeting 6 in Turkey were discussed, as well as the need for additional meeting participants, and what sort of coordination support would most assist the Forum members to achieve the meeting objectives.

**Mtg 5 Agreement 17:** *Primary objectives of Forum Meeting 6 are to discuss the outcomes of the consultation phase 1, to decide how to respond to key consultation issues, and to agree on drafting instructions for the Draft Revised Protocol. Other requirements are to prepare for Forum Meeting 7; to review draft aspect content for Sections III and IV; to prepare material about the consultation phase 2 and trialling for Jul-Aug 09; and to clarify thinking on scoring and guidance notes.*

**Mtg 5 Agreement 18:** *Forum Members agree that no additional meeting participants are anticipated to be necessary for Forum Meeting 6.*

**Mtg 5 Action 21:** *The Forum Coordinator to circulate logistical information about Forum Meeting 6 to Forum members by no later than 9 Jan 09.*

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*

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**Mtg 5 Action 22:** *The Forum Coordinator to follow up with Refaat Abdel-Malek about MWH providing logistical support to Forum Meeting 6.*

There was some discussion about the potential to have a “writing week” for the draft revised Protocol between meetings 6 and 7 in London, at which Forum members who were available could participate.

There was some discussion about the trialling program for Jul-Aug 09. The Forum members see trialling as an integral part of consultation during this period. The Forum members discussed the benefits of a few small in-depth trials with cross-sectoral assessment teams in selected regions. It was proposed that repeat assessments on schemes that had previously had trials could also be useful to target.

The Forum meeting closed at 17:30 on 11 Dec 08. The next meeting of the Hydropower Sustainability Assessment Forum is Forum Meeting 6 in Cappadocia, Turkey, 10-13 Mar 09.

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### HSAF Meeting 5 Summary of Agreements

**Mtg 5 Agreement 1:** *Forum members agreed on the need to clarify the name, viewpoint, membership and terms of reference for the social issues expert reference group, and agreed on Donal O’Leary to be the main point of liaison with Maninder Gill.*

**Mtg 5 Agreement 2:** *Forum members will discuss and form a view at each Forum meeting on the need for additional meeting participants at the next Forum meeting, in light of the agreed purpose and objectives of the next meeting.*

**Mtg 5 Agreement 3:** *The process for additional meeting participants is:*

- 1. Proposals for additional meeting participants are those brought by Forum members to the Forum Coordinator in writing with a clear case made for the additional meeting participant in light of the meeting objectives and agreements at previous Forum meetings.*
- 2. Proposals must be received no less than 2 weeks prior to the relevant Forum meeting.*
- 3. Written proposals will be circulated to all Forum members and the Forum Chair for their awareness at the time of initial contact with the Forum Coordinator.*
- 4. The Forum Coordinator will discuss with the member who brought forward the proposal the alternative means by which the objective could be achieved.*
- 5. If the option of having an the additional meeting participant appears to be the best option to achieve the objective, the proposal will be circulated to all Forum members for their views.*
- 6. The Forum Chair makes the final resolution.*

**Mtg 5 Agreement 4:** *The Protocol should be anchored around a set of principles and policy objectives. Principles are an agreed set of core sustainability values of the Hydropower Sustainability Assessment Forum members that underpin the Protocol. The policy objective associated with each of the Protocol aspects identifies what is trying to be achieved.*

**Mtg 5 Agreement 5:** *A draft set of Protocol definitions are agreed to be those that are summarised in Attachment 1 to the Forum Meeting 5 minutes.*

**Mtg 5 Agreement 6:** *The Forum members agree that they would like documents produced by the Forum to be HSAF documents, to reflect the consensus and endorsement of these documents by the Forum members.*

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**Mtg 5 Agreement 7:** The Forum members agreed to work with the Section II aspects in Table 1, to be reviewed once all of the aspect content has been drafted and circulated to Forum members for comment.

Section II Economic / Technical / Governance Aspects	Section II Social Aspects	Section II Environmental Aspects
Demonstrated Need	Social Impact Assessment	Environmental Impact Assessment
Governance	Social Management Plan	Environmental Management Plan
Transboundary Issues	Cultural Heritage	Catchment Management
Regulatory Approval	Indigenous Peoples & Ethnic Minorities	Reservoir Management
Site Selection and Design Optimisation	Public Health	Environmental Flows
Integrated Project Management	Resettlement	Biodiversity, Habitats & Protected Areas
Economic Viability	Affected Communities	Pest & Invasive Species
Financial Viability	Community Acceptance	Sedimentation and Erosion
Management of the Hydrological Resource	Asset & Community Safety	
Construction Management Plan	Labour and Working Conditions	
Procurement	Grievance and Dispute Resolution	
	Communications	
	Project Benefits	

Table 1 – Working Set of Section II Aspects Resulting from Discussions at Forum Meeting 5

**Mtg 5 Agreement 8:** The Forum members agreed to work with the Section III aspects in Table 2, to be reconsidered once all of the aspect content has been developed and evaluated.

Section III Economic / Technical / Governance Aspects	Section III Social Aspects	Section III Environmental Aspects
Integrated Project Management	Social Management Plan	Environmental Management Plan/System
National Governance	Cultural Heritage	Catchment Management
Transboundary Issues	Indigenous Peoples	Reservoir Management
Corporate Governance	Public Health	Downstream and Environmental Flows
Construction Management Plan	Resettlement	Biodiversity, Habitats and Protected Areas
	Community Acceptance	Pest and Invasive Species
	Labour and Working Conditions	Sedimentation, Erosion and Water Quality
	Suppliers and Service Providers	Waste, Noise and Air Quality Management
	Grievance and Dispute Resolution	
	Communications	
	Project Benefits	
Asset and Community Safety		

\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.

*Table 2 – Working Set of Section III Aspects Resulting from Discussions at Forum Meeting 5*

- Mtg 5 Agreement 9:** *The Forum should have a stakeholder outreach side event at the World Water Forum, but this has to be understood to be outside of the Forum’s formal consultation phase 1.*
- Mtg 5 Agreement 10:** *Where there is a duplication of individuals targeted for a particular organisation, or if more than one Forum member wants to be the lead point of liaison, the Consultation Consultant to sort out the approach to be taken to that organisation with the Forum members involved.*
- Mtg 5 Agreement 11:** *Forum members agreed that response to the web-based questionnaire would not require respondents to provide a name unless they chose to do so. If possible, the web-based platform would allow respondents to choose the level of detail at which they respond, including the ability to drill down to aspect-by-aspect questions using a logic flow.*
- Mtg 5 Agreement 12:** *Contact emails are to be sent under signature of the Forum Coordinator, from a dedicated email address set up for consultation purposes. The emails will have links to a summary power point presentation, the consultation documents, and the web-based questionnaire.*
- Mtg 5 Agreement 13:** *There will be a stand-alone four-page HSAF Consultation Phase 1 Document. This will be about the Forum objectives, process, progress, and consultation and will be designed to be useful both for general Forum information and for this consultation period. This document will make it clear where the Forum is in the process at this point in time. This document will direct interested stakeholders to the web for pertinent information.*
- Mtg 5 Agreement 14:** *There will be a HSAF Draft Revised Protocol Key Components Document. This will provide the overview of Protocol key components; section overview and list of aspects for all four sections; compressed section content for Sections I and II as per the aspect template developed at Forum Meeting 5; the example of the Institutional Capacity aspect fuller presentation provided as Attachment 3 to the Forum Meeting 5 minutes; and an explanation of the next steps.*
- Mtg 5 Agreement 15:** *The consultation phase 1 closes on 28 Feb 09. The Consultation Outcomes Report is due 6 Mar 09, for circulation to Forum members in time for them to discuss at Forum Meeting 6 (10-13 Mar 09). This report will include a summary of the consultation undertaken during Jan-Feb 09; an overview of the response received; a listing of the key issues that require response; the Consultation Consultant’s recommendation on how these issues should be responded to; an evaluation of the strengths and weaknesses of the consultation process; and any recommendations on consultation phase 2 (Jul-Aug 09).*

**Mtg 5 Agreement 16:** *The Forum members agreed to work with the Section IV aspects in Table 3, to be reconsidered once all of the aspect content has been developed and evaluated.*

Section IV Economic / Technical / Governance Aspects	Section IV Social Aspects	Section IV Environmental Aspects
Transboundary Issues	Social Management Plan	Environmental Management
Corporate Governance	Cultural Heritage	Catchment Management
Financial Viability	Indigenous Peoples	Reservoir Management
Markets, Innovation and Research	Public Health	Environmental Flows
Management of the Hydrological Resource	Labour and Working Conditions	Biodiversity, Habitats and Protected Areas
Asset Reliability and Efficiency	Suppliers and Service Providers	Pest and Invasive Species
	Grievance and Dispute Resolution	Sedimentation and Erosion
	Communications	Water Quality
	Asset and Community Safety	
	Project Benefits	

*Table 3 – Working Set of Section IV Aspects Resulting from Discussions at Forum Meeting 5*

**Mtg 5 Agreement 17:** *Primary objectives of Forum Meeting 6 are to discuss the outcomes of the consultation phase 1, to decide how to respond to key consultation issues, and to agree on drafting instructions for the Draft Revised Protocol. Other requirements are to prepare for Forum Meeting 7; to prepare material about the consultation phase 2 and trialling for Jul-Aug 09; and to clarify thinking on scoring and guidance notes.*

**Mtg 5 Agreement 18:** *Forum Members agree that no additional meeting participants are anticipated to be necessary for Forum Meeting 6.*

### HSAF Meeting 5 Summary of Actions

**Mtg 5 Action 1:** *Donal O’Leary to liaise with Maninder Gill to clarify the name, viewpoint, membership and terms of reference for the social issues expert reference group, with the support and involvement of Daryl Fields and Michael Simon.*

**Mtg 5 Action 2:** *Forum Coordinator to circulate the International Rivers analysis of the alignment of the IHA Guidelines and Protocol with the WCD Strategic Priorities and the IFC Performance Standards to Forum members and to post on the Forum external website with the other Protocol analyses.*

**Mtg 5 Action 3:** *The Forum Coordinator to liaise with Kirsten Nyman about a plan to approach potential donors. Those Forum members interested in helping plan and/or participate in approaches to potential donors to indicate this to the Forum Coordinator by 9 Jan 09.*

**Mtg 5 Action 4:** *Forum members to provide comment to the Forum Coordinator on the November 2008 Draft Forum Status Report by no later than 5 Jan 09. Draft 2 will be circulated by the Forum Coordinator by no later than 9 Jan 09, and will include an Executive Summary. Forum members will provide comment on Draft 2 by no later than 16 Jan 09.*

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*

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- Mtg 5 Action 5:** *Forum members to consider if and what sort of support and advice on function and consensus building for cross-sectoral partnerships might be beneficial to ensure optimal outcomes from the Forum process.*
- Mtg 5 Action 6:** *Forum members to review the draft principles provided in Attachment 2 to the Forum Meeting 5 minutes, and provide any suggested changes to the Forum Coordinator by no later than 5 Jan 09.*
- Mtg 5 Action 7:** *Forum meeting attendees to review and complete the latest drafts of the Section I content and provide comments or updates to the Forum Coordinator by no later than 5 Jan 09.*
- Mtg 5 Action 8:** *Forum meeting attendees to review and complete the latest drafts of the Section II content and provide comments or updates to the Forum Coordinator by no later than 5 Jan 09.*
- Mtg 5 Action 9:** *Forum Coordinator to draft the aspect content for the Section III aspects and bring to Forum Meeting 6.*
- Mtg 5 Action 10:** *The Consultation Consultant to circulate the summary of proposed network sessions to Forum members by no later than 19 Dec 08. Forum members to confirm dates, events and their availability to the Consultation Consultant by no later than 5 Jan 09.*
- Mtg 5 Action 11:** *The Forum Coordinator to discuss with the IHA how the World Water Forum stakeholder outreach can be set up.*
- Mtg 5 Action 12:** *The Consultation Consultant to circulate the stakeholder database, with contact names and emails for target individuals and organisations, to all Forum members by no later than 19 Dec 08. For stakeholders already listed, Forum members to respond with contact details, where known, and to suggest the type of contact required (e.g. email contact only, Forum member to contact, or Consultation Consultant to contact) and indicate priority. Forum members to respond to the Consultation Consultant on this document by no later than 5 Jan 09.*
- Mtg 5 Action 13:** *The Consultation Consultant to investigate the potential for the web-based questionnaire to drill down to differing levels of detail depending on the wishes of the respondent.*
- Mtg 5 Action 14:** *Forum members with access to stakeholder lists for the IHA Congress, DDP, HydroVision, World Water Week and the World Water Forum to pass onto the Consultation Consultant as soon as possible.*
- Mtg 5 Action 15:** *The Consultation Consultant will circulate the draft email cover letter to Forum members by no later than 19 Dec 08. Comment must be received by the Consultation Consultant by no later than 5 Jan 09.*
- Mtg 5 Action 16:** *The Forum Coordinator to draft the HSAF Draft Revised Protocol Key Components Document content, compiling all aspect content provided by Forum members, and making (and tracking) any changes to the content that promotes consistency and clarity of language for stakeholders.*
- Mtg 5 Action 17:** *The Forum Coordinator and Consultation Consultant to circulate the HSAF Consultation Phase 1 Document and the HSAF Draft Revised Protocol Key Components Document by no later than 9 Jan 09 and circulate to Forum members. Any comments on these documents must be received by no later than 14 Jan 09. The final documents will be available for circulation and on the Forum website by 16 Jan 09.*

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**Mtg 5 Action 18:** *The Consultation Consultant will circulate draft Frequently Asked Questions and proposed answers to Forum members by no later than 19 Dec 08. Comment must be received by the Consultation Consultant by no later than 5 Jan 09.*

**Mtg 5 Action 19:** *The Forum Coordinator to investigate with Forum members their views on guidance notes, the form they might take, what the priority areas might be, and report back to the Forum with a proposal for how guidance notes can be addressed in a comprehensive, systematic and uniform manner.*

**Mtg 5 Action 20:** *Forum Coordinator to draft the aspect content for the Section IV aspects and bring to Forum Meeting 6.*

**Mtg 5 Action 21:** *The Forum Coordinator to circulate logistical information about Forum Meeting 6 to Forum members by no later than 9 Jan 09.*

**Mtg 5 Action 22:** *The Forum Coordinator to follow up with Refaat Abdel-Malek about MWH providing logistical support to Forum Meeting 6.*

### HSAF Meeting 5 Issues Open for Further Discussion

- Aspect content for Sections III and IV
- The general approach to scoring
- Scoring instructions aspect-by-aspect

**ATTACHMENT 1 – DRAFT DEFINITIONS OF TERMS USED IN THE PROTOCOL**

**Sustainability** – Involves activity that does not compromise the ability of future generations to meet their own needs. Sustainable activity should improve the quality of life without doing harm. Sustainability objectives should encompass economic, environmental and social performance.

**Assessment** – An objective process that is undertaken to measure performance against an agreed set of principles and policies.

**Principles** – A set of core sustainability values that underpin the Protocol.

**Sections** – The Protocol consists of four sections appropriate to different stages of the project life cycle. Each section is a stand-alone assessment tool to measure performance of a hydropower project against sustainability criteria appropriate to that point in the project life cycle.

**Aspects** – Each Protocol section contains a set of aspects important to forming a view on the overall sustainability of that project at that point in its life cycle. An aspect is one of a set of key sustainability issues. Each aspect has processes and performance that must be assessed to confidently form a view on the overall sustainability of a hydropower project at a particular point in its life cycle. Aspects can be scored on a graded scale of practice.

**Description** – Explanation of the aspect provided to give greater clarity to the assessor.

**Policy Objective** – Each of the Protocol aspects has an associated policy objective which identifies what is trying to be achieved.

**Attributes** – Attributes are the criteria which form the basis for determining sustainability performance for each aspect. Each Protocol aspect has a set of process and performance attributes. Process attributes relate to the systems or processes in place to address a particular sustainability issues (e.g. a water quality monitoring program); performance attributes relate to the outcomes of efforts to address a particular sustainability issue (e.g. the quality of the water).

**Guidance Notes** – Notes at pertinent points in the Protocol document to provide assistance in application of the Protocol. .

**Objective Evidence** – Evidence used by the assessor to verify whether and to what degree the attributes have been met. Objective evidence can be qualitative or quantitative information, records or statements of fact, either verbal or documented. It is retrievable or reproducible, is not influenced by emotion or prejudice, and is based on facts obtained through observation, measurements, tests or other means.

**ATTACHMENT 2 – DRAFT PROTOCOL PRINCIPLES**

- Hydropower, developed and managed sustainably, can provide national, regional, and local benefits, and has the potential to play an important role in enabling communities to meet sustainable development objectives.
- Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- Sustainable development embodies reducing poverty, respecting human rights, changing unsustainable patterns of production and consumption, long-term economic viability, protecting and managing the natural resource base, and responsible environmental management.
- Sustainable development calls for a balancing of economic, social and environmental values, not necessarily dictated by financial benefits. This balance should be achieved and ensured in a transparent and accountable manner, taking advantage of expanding knowledge, multiple perspectives, and innovation.
- Social responsibility, transparency, and accountability are core sustainability principles.

**ATTACHMENT 3 – EXPANDED ASPECT WORKSHEET - DRAFT**

**Aspect: INSTITUTIONAL CAPACITY**

**Description:** The development of water and energy services in general, and of a hydropower project in particular, requires a comprehensive and balanced set of capacities amongst a range of stakeholders, namely- a) governments / regulators, b) developers, c) financial institutions, d) contractors, suppliers and labour force, e) civil society and affected people.

Where such skills are lacking in any of these sectors, such shortfalls may be mitigated by drawing on externally available resources, with the eventual objective of developing local capacity by transferring skills and technology.

**Policy Objective:** This objective is to ensure that the institutional capacity provides a basis for developing and operating sustainable water and energy services. If there is a particular hydropower project or set of projects being considered, the institutional capacity requirements and the existing capacity have been evaluated and capacity shortfalls can be managed.

**Auditor’s Comment on Relevance of this Aspect to Project being Assessed:**

<i>Process Attributes</i>	<i>Examples of Assessment Questions</i>	<b>5</b> <i>Outstanding / Strong / Comprehensive</i>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b> <i>Very poor</i>
(Level of) understanding of the relevance of institutional capacities	<i>Are planners aware of the sustainability risks arising from capacity constraints?</i>						
(Quality of) evaluation of existing capacities	<i>Are planners capable of realistically and thoroughly identifying and analysing capacity constraints?</i>						
(Level of) evaluation of relevant stakeholders against required capacities	<i>Have all relevant stakeholders been comprehensively identified (which requires a good understanding of their roles) and have they been assessed with respect to their capacities which are relevant for the project?</i>						
(Quality of) plans to mitigate and overcome capacity gaps	<i>Have the possibilities of local recruiting, training and outsourcing and the availability of external resources to close local gaps been appropriately analysed, and convincing mitigation plans prepared?</i>						

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*

<b>Performance Attributes</b>	<b>Examples of Assessment Questions</b>	<b>5</b> <i>Outstanding / Strong / Comprehensive</i>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b> <i>Very poor</i>
(Level of) current status of capacity in local institutions	<i>What is the current level of leadership/management capabilities, staff skills, institutional experience and stability? Is the scale of the institutions commensurate with the scale of the project?</i>						
(Level of) availability of external resources and expertise to close eventual gaps	<i>Is the envisaged interaction between local and external resources likely to result in closing of capacity gaps? Can the project be designed to maximize opportunities for skills and technology transfer?</i>						

**Examples of Objective Evidence to Support Scoring:**

- Analysis of institutional framework, incl. roles and responsibilities of public sector agencies, private sector companies, and civil society organisations
- Analysis of their respective capacities and track records (with respect to quality of planning, time and cost overruns, conflicts etc.)
- Comparability of scale and other characteristics of project with previous projects (of the same developer, in the same country, or worldwide)

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**ATTACHMENT 4 – ASPECT KEY COMPONENTS TEMPLATE**

ASPECT NAME:

DESCRIPTION: (two succinct sentences).

*Description – Explanation of the aspect provided to give greater clarity to the assessor.*

This aspect addresses ....

This aspect is important because...

POLICY OBJECTIVE: (one succinct sentence)

*Policy Objective – Each of the Protocol aspects has an associated policy objective which identifies what is trying to be achieved. The policy objective establishes the basis against which performance is assessed. Performance against the policy objective can be achieved to a greater or lesser degree.*

This objective is to ensure that....

ATTRIBUTES:

*Attributes – Attributes are the criteria which form the basis for determining sustainability performance for each aspect. Each Protocol aspect has a set of process and performance attributes. Attributes can be measurable on a graded scale of good practice.*

PROCESS ATTRIBUTES: (as a guide, max 4, max 5 words each)

*Process attributes relate to the systems or processes in place to address a particular sustainability issues (e.g. a water quality monitoring program);*

- 1.
- 2.
- 3.
- 4.

PERFORMANCE ATTRIBUTES: (as a guide, max 4, max 5 words each)

*Performance attributes relate to the outcomes of efforts to address a particular sustainability issue (e.g. the quality of the water).*

- 1.
- 2.
- 3.
- 4.

EXAMPLES OF EVIDENCE:

*\* Note that agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis.*