

HYDROPOWER SUSTAINABILITY ASSESSMENT FORUM

4-page summary sheet - August 2009

The Hydropower Sustainability Assessment Forum (the “Forum”) aims to establish a broadly endorsed sustainability assessment tool to measure and guide performance in the hydropower sector.

The Forum’s work centres on review and revision of the International Hydropower Association’s (IHA) *Sustainability Assessment Protocol (2006)*. The *IHA Sustainability Assessment Protocol (2006)* was developed as a measuring tool to assess social, environmental and economic performance against criteria described in the *IHA Sustainability Guidelines (2004)*. The Forum is determining the relevant issues to be included in the revised assessment protocol, and the measurement approach for these issues. The work plan involves input from experts on key hydropower sustainability themes, on-ground assessments of schemes, workshop sessions focussed on the Protocol, input from key stakeholder reference groups, public consultation, and trialling of the Draft Protocol.

There are 14 Forum members, including representatives of developed and developing country governments, social and environmental NGOs, commercial and development banks, and the hydropower sector (see Figure 1).

Developing Countries

- Dr Yu Xuezhong, Institute of Water Resources and Hydropower Research, PR China
- Mr Zhou Shichun, China Hydropower Engineering Consulting Group Co., PR China
- Mr Israel Phiri, Manager PPI, Ministry of Energy and Water Development, Zambia

Developed Countries

- Mr Geir Hermansen, Senior Advisor, Department of Energy, Norad, Norway
- Prof Gudni A Johannesson, Director General, National Energy Authority, Iceland
- Ms Kirsten Nyman, Policy Advisor for Sustainable Hydropower, GTZ, Germany (observer)

Hydropower Sector

- Dr Refaat Abdel-Malek, President, International Hydropower Association
- Mr Andrew Scanlon, Coordinating Author, IHA Sustainability Assessment Protocol

NGOs - Environmental Aspects

- Mr David Harrison, Senior Advisor, Global Freshwater Team, The Nature Conservancy
- Dr Joerg Hartmann, Lead, Dams Initiative, World Wildlife Fund

NGOs - Social Aspects

- Mr Michael Simon, Lead, Development Banks/NRM, Oxfam
- Dr Donal O’Leary, Water Sector Specialist, Transparency International

Finance Sector - Economic Aspects

- Ms Courtney Lowrance, Environmental Specialist, Equator Principles Financial Institutions Group
- Ms Daryl Fields, Senior Water Resources Specialist, World Bank (observer)

Forum Chair

- Mr André Abadie, Sustainable Finance Ltd.

Figure 1 Forum Members

The Forum was launched in March 2008 in Washington DC, with subsequent Forum meetings held in July 2008 (Santa Rosa, USA), September 2008 (Zambia), October 2008 (China), December 2008 (Brazil), March 2009 (Turkey) and June 2009 (Iceland). The Forum is scheduled to meet two more times in early 2010 (see Figure 2). A following work phase is envisaged, which would focus on potential Protocol applications and pathways forward. The Forum seeks at all times to operate with transparency, goodwill and by consensus.

Following the Forum launch, the Forum completed a phase of foundation work in Meetings 2-5, aimed at better understanding of the existing (2006) Protocol and key issues (including economics and finance, technical considerations, transparency, governance, anti-corruption, environmental flows, strategic assessments, transboundary issues, resettlement, benefit sharing), and involving expert

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presentations and project assessments. Proposals concerning revised Protocol structure and content were presented to stakeholders as a Draft Hydropower Sustainability Assessment Protocol Key Components Document in January 2009, and were subject to a first round of public consultation in January and February 2009. The outcomes of this Phase 1 Consultation were considered in Forum Meetings 6 and 7, and have been incorporated into the Draft Hydropower Sustainability Assessment Protocol made publicly available in August 2009 (the “Draft Protocol”).

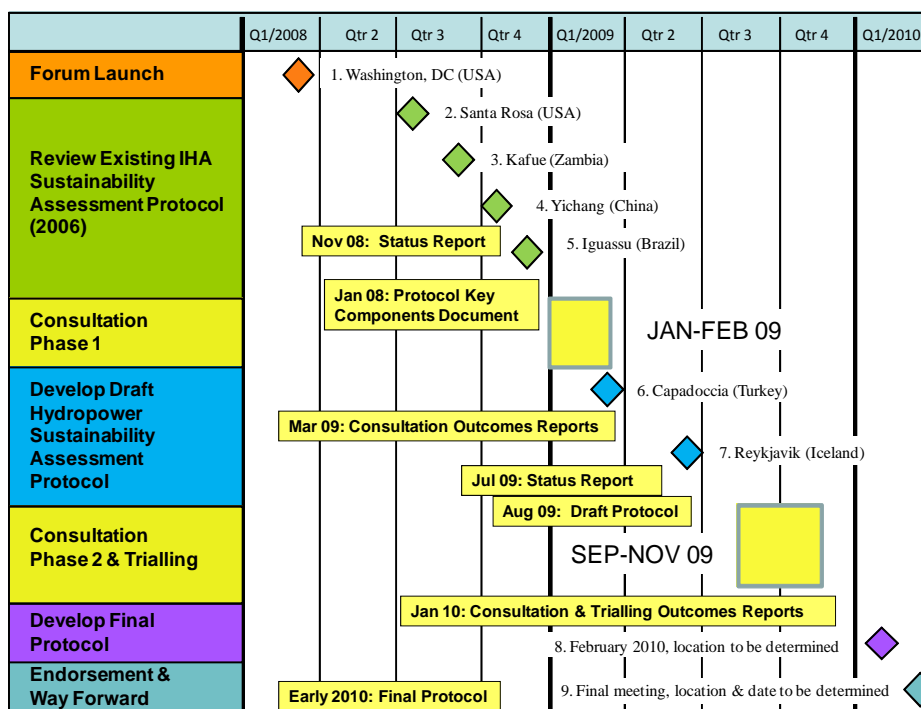


Figure 2 Forum Work Plan

The Draft Protocol is a set of four documents, each a stand-alone assessment tool addressing a different stage of the project life cycle, as shown in Figure 3:

SECTION I - STRATEGIC ASSESSMENT
Assesses the strategic basis for a hydropower project. This section of the Protocol can be used prior to and to inform the decision that there is a strategic basis to move forward with project preparation.
SECTION II - PROJECT PREPARATION
Assesses the preparation stage of a hydropower project during which investigations, planning and design are undertaken for all aspects of the project. This section of the Protocol can be used prior to and to inform the decision to move forward with project implementation.
SECTION III - PROJECT IMPLEMENTATION
Assesses the implementation stage of a hydropower project during which construction, resettlement and other management plans and commitments are implemented. This section of the Protocol can be used to inform the timing and conditions of project commissioning.
SECTION IV - PROJECT OPERATION
Assesses the operation of a hydropower facility. This section of the Protocol can be used to inform the view that the facility is operating on a sustainable basis with active measures in place towards continuous improvement.

Figure 3 Draft Protocol Sections

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The Draft Protocol reflects the sustainability issues which have been identified and discussed by the Forum, representing a diversity of sectoral views, and are presented in a structured manner intended to suit a sustainability assessment process. Figure 4 provides a list of the issues (“aspects”) assessed in the Draft Protocol, grouped by perspective.

Perspective	Aspect Name	Sections
Development Perspective	- Demonstrated Need & Strategic Fit	I, II
	- Options Assessment	I
	- Regional & National Policies & Plans	I
Governance Perspective	- Political Risk	I
	- Institutional Capacity	I
	- Public Sector Governance	II, III
	- Regulatory Approvals	II, III
	- Corporate Governance	II, III, IV
	- Integrated Programme Management & Communications	II, III
Technical Issues Perspective	- Construction Management	II, III
	- Technical Issues & Risks	I
	- Hydrological Resource Availability & Management	II, III, IV
	- Project Siting & Design Optimisation	II
	- Asset & Community Safety	II, III, IV
Financial & Economic Issues Perspective	- Asset Reliability & Efficiency	IV
	- Economic & Financial Issues & Risks	I
	- Economic Viability incl. Additional Benefits	II, III, IV
	- Financial Viability	II, III, IV
	- Procurement	II, III, IV
Social Issues Perspective	- Markets, Innovation & Research	IV
	- Social Issues & Risks	I
	- Social Impact Assessment & Management	II, III, IV
	- Project Affected Communities	II, III, IV
	- Indigenous Peoples	II, III, IV
	- Resettlement & Land Acquisition	II, III
	- Benefit Sharing	II, III, IV
	- Labour & Working Conditions	II, III, IV
- Cultural Heritage	II, III, IV	
Environmental Issues Perspective	- Public Health	II, III, IV
	- Environmental Issues & Risks	I
	- Environmental Impact Assessment & Management	II, III, IV
	- Biodiversity & Invasive Species	II, III, IV
	- Erosion & Sedimentation	II, III, IV
	- Water Quality	II, III, IV
Geographic / Spatial Perspective	- Waste, Noise & Air Quality	III
	- River Basin & Transboundary Issues	II, III, IV
	- Catchment Management	II, III, IV
	- Reservoir Management	II, III, IV
	- Environmental Flows & Downstream Sustainability	II, III, IV

Figure 4 Draft Protocol Aspects

It is recognised that the consultation and trialling may lead to revision before a final document is prepared, with a focus on it being a succinct, practical tool for the assessment of sustainability in a hydropower context. The Forum seeks views and input which will assist its forward process.

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During September, October and November 2009, the Draft Protocol is subject to a period of trialling and public consultation. Trialling assesses a range of considerations including scope, comprehensiveness, ease of use, effectiveness, applicability to a range of scale and regions, adequacy of implementation guidance, and methods for presentation of results.

For the public consultation, an online questionnaire has been set up, with the major questions for feedback on this Draft Protocol being:

1. **Practicability.** Does the Draft Protocol seem like a practical assessment tool, and if not, how could it be improved to increase practicability?
2. **Content.** What do you think about the Draft Protocol content in terms of its appropriateness, quality and applicability for a range of projects of different types, scale and geographic settings? What improvements would you propose to the Draft Protocol content?
3. **Implementation Guidance.** Do you find the Draft Protocol introduction and auditing guidance notes helpful, and how might they be improved?
4. **Scoring.** What suggestions could you make on approaches to aggregating bullet points within an attribute? Comments are particularly sought on experiences obtained through trialling.
5. **Presentation of Results.** What suggestions could you make for effective and practical mechanisms for presentation of assessment results?
6. **Ease of Use.** Can you make recommendations on how to make the documents easy to use?
7. **Basic Good Practice.** The score of 3 is intended to be basic good practice, with a particular consciousness of what is achievable in countries with minimal resources or capacities or projects of smaller scales and complexities. Do you have any comments on these scores? Do you have any information that would assist in understanding of what is basic good practice for individual attributes in the Draft Protocol?
8. **Proven Best Practice.** The score of 5 is intended to be proven best practice, but conscious of the global applicability of this tool, so that it is not only attainable by the largest projects with the most resources at their disposal. Do you have any comments on these scores? Do you have any information that would assist in understanding of what is proven best practice for individual attributes in the Draft Protocol?

The Forum operates at all times with the high level of transparency. All proceedings of the Forum, including meeting papers, minutes and presentations and several status reports, are available on the Forum website:

www.hydropower.org/sustainable_hydropower/hsaf.html

The Forum strongly encourages all interested stakeholders to review the Draft Protocol and provide feedback. Information on trialling, consultation, and access to the on-line questionnaire with the consultation questions can all be downloaded from the Forum website.