

Overview of Section III

Section III assesses the implementation stage of a hydropower project, during which construction, resettlement, environmental and other management plans and commitments are implemented. Commissioning of the power station enables the project to start to earn money, and in fact often some units (i.e. turbines) of a multiple unit power station are commissioned while others are still being installed to assist in meeting the financial commitments of the project. An assessment made prior to the decision to commission any units would assess whether all commitments have been met, and can inform the timing and conditions of project commissioning.

Section III Topics

III-1: Communications & Consultation	III-13: Resettlement
III-2: Infrastructure Safety	III-14: Labour & Working Conditions
III-3: Financial Viability	III-15: Cultural Heritage
III-4: Project Benefits	III-16: Public Health
III-5: Economic Viability	III-17: Project Catchment & Lands Management
III-6: Governance	III-18: Reservoir Management
III-7: Transboundary Rivers	III-19: Downstream Flow Regimes
III-8: Integrated Project Management	III-20: Biodiversity & Invasive Species
III-9: Procurement	III-21: Erosion & Sedimentation
III-10: Environmental & Social Impact Assessment & Management	III-22: Water Quality
III-11: Project-Affected Communities & Livelihoods	III-23: Waste, Noise & Air Quality
III-12: Indigenous Peoples	

Forum Discussion Points for Section III Project Implementation

It was not possible to present a HSAP Draft1 Final Section III in time for Forum Meeting 9 because some fundamental structural issues need to be resolved. Once these are agreed, it will not be hard to develop such a draft given that it will be drawing on Section II and Section IV content.

Because Section III is meant to be a stand-alone section, it will need to carry much of the Project Preparation content on the assumption that a Section II assessment has not been undertaken. It also needs to incorporate Section IV content because it starts assessing management processes, conformance and compliance with plans, and puts more weight on outcomes. If it is a compilation of everything found in Sections II and IV, however, there are a lot of criteria to assess for many of the topics.

The need for a Section III arose out of feedback on the IHA Sustainability Assessment Protocol 2006 that in the construction phase it was difficult to apply either Section B (new projects) or Section C (existing operations). It was noted that the construction phase can last a decade in cases, and this is a significant phase of project development with a number of

unique and sensitive issues. The Equator Banks showed a particular interest in having such an assessment tool, because it is late in the Project Preparation stage and throughout the Project Implementation stage during which they have the most involvement with a project.

In the Consultation Phase 2 feedback, there was a strong message that Section III resembled the Project Preparation stage assessment approach too closely, and needed to be more tailored around the unique considerations for project implementation. At this stage plans and agreements are in place and signed off, and the focus is on delivery without revisiting issues. It was posed that scoring focusses on effective and adaptive management, and monitoring compliance with laws, permits and authorisations.

The key concern is that if Section III is a stand-alone section, the sustainability of the plans being implemented has not been evaluated. If less emphasis is put on the Project Preparation type questions relating to Assessment, development of Management Plans, and Stakeholder Engagement and Stakeholder Support, then a project being built may be getting high scores for conforming/complying with its Resettlement Action Plan when the plan itself is of low quality or not reflecting sustainability considerations.

Also in the Consultation Phase 2 feedback, it was posed that requirements for consultation in Section III should be less intensive than for the Project Preparation stage. Stakeholder engagement and support was scaled back from the Draft Protocol in Section II, but are still assessed in more places than for Section IV which relies very much on the Communications & Consultation topic to evaluate stakeholder engagement.

In Forum Meeting 9, it is proposed to discuss these issues relating to Section III after reviewing and discussing the Draft1 Final documents for Sections II and IV, so that a view can be formed on how and how much of these other sections are incorporated into Section III without overloading it.

Some Section III topic specific points that have been raised during the redrafting process include:

III-2 Infrastructure Safety. How can good quality of construction be factored in as a safety consideration?

III-3 Financial Viability. How can we tailor to address the project construction stage financial considerations specifically?

III-14 Labour & Working Conditions. Is this too oriented around company staff versus contractors, given that most of the labour force during construction will be contractors?

III-19 Downstream Flow Regimes. What are the expectations for downstream flows during project implementation?

III-22 Water Quality. High level of overlap with III-21 (Erosion & Sedimentation) and III-23 (Waste, Noise & Air Quality) which will need guidance.