

Hydropower Sustainability Assessment Forum

FAQs

January 2009

What is the HSAF and what does it aim to achieve?

- The Hydropower Sustainability Assessment Forum (HSAF) is a collaboration of representatives from different sectors who aim to develop a broadly endorsed sustainability assessment tool to measure and guide performance in the hydropower sector.
- The Forum members are jointly reviewing and recommending enhancements to the IHA Sustainability Assessment Protocol (2006), developed as a measuring tool to assess social, environmental and economic performance of hydropower projects and operating facilities against criteria described in the IHA Sustainability Guidelines (2004).

How was the HSAF established?

- The Hydropower Sustainability Assessment Forum was initiated by a meeting in 2007 with WWF, The Nature Conservancy (TNC) and the International Hydropower Association (IHA) about endorsement of the IHA Sustainability Assessment Protocol (2006) by parties outside of the sector.
- The initial joint-review proposed by WWF and TNC evolved into a broader cross-sectoral review process. The present Forum membership of NGOs, developed and developing country governments, commercial and development banks and the hydropower sector was guided through the common efforts of WWF, TNC and IHA, as were the initial efforts to obtain the necessary funding support.
- The HSAF held its first meeting in March 2008, and appointed a Forum Coordinator in April 2008. The Forum aims to produce a final revised protocol by the end of 2009, and hopes to have the endorsement of this product by all parties to the Forum (although this is not a condition of participation in the Forum).

Who is on the HSAF?

The members of the Hydropower Sustainability Assessment Forum cover representatives of developed and developing countries, environmental and social NGOs, commercial and development banks and the hydropower sector.

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.

Who is funding the HSAF?

The initial contributions pledged at the Forum commencement comprise:

- German government - £84k
- Icelandic government - £100k
- International Hydropower Association - £25k
- Norwegian government - £250k
- The Nature Conservancy - £25k

In kind contributions comprise Forum members' time, travel and accommodation, hydro sector involvement and support to meetings, and reference groups. This is estimated to total more than £720k.

The Forum is seeking a further £200k to complete its work programme to the end of the 2009 financial year.

How does the HSAF process work?

- The Forum's work centres around the IHA Sustainability Assessment Protocol (2006). In its first phase (2008-09), the Forum is determining the relevant issues to be included in the hydropower sustainability assessment protocol and the measurement approach and thresholds for each of these issues. A subsequent work phase (2010 onwards) focuses on potential protocol applications including potential pathways towards a sector standard.
- The work plan over the first phase involves input from experts on key hydropower sustainability themes, hydropower project assessments, workshop sessions focussed on the protocol, input from key stakeholder reference groups, and stakeholder consultation. The Forum members meet nine times, with two formal periods of stakeholder consultation.

What decisions are made by the HSAF and how?

- The Forum reaches agreements amongst its membership on what it recommends as enhancements to the IHA Sustainability Assessment Protocol (2006).
- The Forum aims to operate by consensus. The Forum members have signed a Memorandum of Understanding and agreed to a set of Communications and Operating Procedures.
- Many agreements have been made to date within the Forum meetings, in relation to the Forum work plan and protocol content. Protocol content decisions have included the number and purpose of the protocol sections, key issues to be included in each section (“aspects”), criteria for measurement (“attributes”), principles underpinning the revised protocol, and policy objectives. Where there are divergences of views, these are recorded.
- Agreements reached at a meeting may be revisited and updated at a later meeting based on further information, discussion and analysis. Members consult with reference groups and stakeholder networks between meetings to help shape thinking on key issues.

What principles underpin the hydropower sustainability assessment protocol?

The following draft principles have been outlined by the Forum members as underpinning the Protocol:

- 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, protecting and managing the natural resource base, responsible environmental management, long-term economic viability, financial stability including participation of private sector parties, and ethical business practices.
- Sustainable development calls for a balancing of economic, social and environmental values, informed but not dictated by financial benefits to private interests. This balance should be achieved and ensured in a transparent , interactive and accountable manner, taking advantage of expanding knowledge, multiple perspectives, and innovation.

How does the HSAF process relate to the WCD and the UNEP-DDP processes?

- The World Commission on Dams (WCD) was an extensive review of the performance of large dams conducted between 1998 and 2000, based on a process of submissions, hearings, surveys and case studies, out of which was proposed a new framework for decision-making for the water and energy sectors. UNEP's Dams & Development Project (DDP) was a six-year follow up to the WCD, and resulted in a consensus around the Core Values and the Strategic Priorities of WCD, on which the IHA Sustainability Guidelines and Protocol build.
- The HSAF is not an attempt to duplicate or re-write the WCD outcomes. Unlike WCD, it is not a Commission reviewing performance of a sector. The HSAF is a cross-sector collaboration looking at an existing performance measurement tool and proposing enhancements. It draws on WCD Core Values and Strategic Priorities, along with other existing principles and policies, in its work to develop a practical assessment tool for hydropower sustainability.
- The need for simple guidelines and a measurement tool, that is practical, objective, and able to be implemented across a range of contexts, has been an objective in development of the protocol and a key consideration of the Forum.

How can the hydropower sustainability assessment protocol be used?

- The IHA Sustainability Assessment Protocol (2006) is a voluntary assessment framework of sustainability in the hydropower sector. Its potential applications are broad in terms of who uses it and for what purpose.
- Potential users and uses of the hydropower sustainability assessment protocol include but are not limited to:
 - All sectors providing a common basis for dialogue on sustainability issues.
 - Governments, potential financiers and other decision-makers can use the Protocol to ensure that new hydropower developments are an appropriate solution for the context in which they are proposed.
 - Companies, governments, financial institutions and NGOs can all use the Protocol to guide development of new hydropower facilities.
 - Companies, governments and development agencies to assess the sustainability of existing operations and develop programs for improvement.

How can the hydropower sustainability assessment protocol be used (cont)?

- NGOs and civil society to evaluate the sustainability of hydropower projects at different life cycle stages and to form a basis for dialogue and for holding operators and financiers to account.
 - Developers, financial institutions and other investors in assessing the risks of potential investments and as part of due diligence.
 - The hydropower sector in seeking external qualification for financing from banks, carbon credits (e.g. CDM/JI), renewable energy credits (e.g. RECs), recognition in voluntary markets (e.g. green certificates); and the administrators of these schemes in judging admission
 - Verification agencies certifying a level of sustainability.
 - Hydropower owners/operators for corporate sustainability management and training
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- In the future, it could be used as a basis for development of a sector standard.

What will change in the future with an enhanced hydropower sustainability assessment protocol?

- The revised Protocol released at the end of the 2009 will be a voluntary assessment framework which is being designed so that it can be used by different stakeholders to strongly influence the sustainability of hydropower sector .
- Endorsement of the revised Protocol, not only by the hydropower sector but also by governments, financial institutions, NGOs and agencies, will send a strong message about how sustainability can be realised in both hydropower development and operation. Such clarity on sustainability criteria and practices should enable strong performers to be better recognised and rewarded, and encourage all industry participants to engage in continuous performance.

How does the HSAF take the views of other stakeholders into account?

All HSAF members have formal reference groups and/or networks of stakeholders with whom they discuss the HSAF work on an on-going basis.

Two open consultation periods are built into the HSAF process:

1. Phase 1: Jan-Feb 2009. This early stage consultation focuses on developing relationships with stakeholders, building understanding of the HSAF process and getting initial feedback on the content of the protocol.
2. Phase 2: Jul-Aug 2009. This phase focuses on the content of the draft revised protocol and the practical application of this assessment tool. It will include regional consultations and a program of trialling the draft revised protocol in a number of different locations.

Who is targeted for consultation and how?

- The Phase 1 Consultation aims to elicit a good cross-sectoral representation of views. Sectors identified in stakeholder mapping include hydropower owners, operators and developers; governments; non-government organisations; financial institutions; civil society; project-affected peoples; inter-governmental; professional associations; research and centres of expertise; other private sector; standards and verifications organisations; media and climate change institutions.
- The approach for the Phase 1 Consultation is a combination of a web-based questionnaire and feedback platform; sessions organised and run through Forum member networks; sessions provided at existing events; and targeted consultation meetings with identified organisations or individuals.
- It is recognised that some stakeholder groups are harder to reach through these approaches than others, for example directly affected or indigenous peoples, and that special attention needs to be paid to strategies to reach these stakeholders.

How will the views of directly affected stakeholders be elicited and taken into account?

- An objective of the Phase 1 consultation is to establish relationships with stakeholders.
- Key methods utilised in the Phase 1 consultation such as electronic and phone contact will not be effective mechanisms for reaching certain important stakeholder groups, such as stakeholders directly affected by hydropower.
- A concerted effort will be directed during this phase into finding alternative ways of understanding the views of directly affected stakeholders, including identifying and contacting local NGOs and civil society organisations who represent directly affected people or have an understanding of their perspectives. Suggestions for effective ways of understanding the views of directly affected stakeholders will be taken into account as the Phase 2 Consultation is designed.

What will happen to stakeholder feedback and input from the Phase 1 consultation?

- The HSAF has contracted a consultant to co-ordinate the first phase of consultation and analyse all the feedback. The consultant will provide the Forum members with a report in time for Forum Meeting 6 in March 2009.
- The Phase 1 Consultation Outcomes 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 consultant's recommendation on how these issues should be responded to;
 - an evaluation of the strengths and weaknesses of the consultation process; and
 - recommendations on the Phase 2 consultation.
- The HSAF will post the Phase 1 Consultation Outcomes Report and their response to the issues raised on to the HSAF website following the March Forum meeting.

What will happen during the trialling period?

During July-August 2009, the Draft Revised Protocol will undergo a series of trials on hydropower projects of different types and scale, in different parts of the world, and at different stages in the project life cycle. The program for trialling is still under development.

What will the final hydropower sustainability assessment protocol look like?

- At this point in time it is envisioned that the final revised protocol will be a single document similar to the existing Protocol. It will have some preliminary text, including underpinning principles and how to use the document, including instructions for scoring. It is proposed that the main document content is divided into four Protocol sections each devoted to a different stage of the project life cycle.
- As with the existing Protocol, each section will have a set of aspects (encompassing economic, technical, governance, social and environmental considerations) that capture the key sustainability issues relevant to that project life cycle stage.
- Each aspect will have a description, policy objective, process and performance attributes which are the basis for scoring, and examples of objective evidence.
- The Protocol will be accompanied by Guidance Notes, the extent and format of which are still under consideration.

What is a section?

- The Protocol consists of four sections appropriate to different stages of the project life cycle:
 - Section I – Strategic Assessment
 - Section II – Hydropower Project Preparation
 - Section III – Hydropower Project Implementation
 - Section IV – Hydropower Facility Operation
- 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.

What is an aspect?

- 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.

What is an attribute?

- Attributes are the criteria which form the basis for determining sustainability performance for each aspect.
- Each protocol aspect has a set of attributes covering both process and performance.
- 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).

What is a policy objective?

- Each of the protocol aspects has an associated policy objective which identifies what is trying to be achieved.

What is a guidance note?

- Guidance notes will be provided to assist with application of the protocol.
- The extent and form of the guidance notes is still under consideration.

How will scoring work?

- Scoring is an essential feature of the hydropower sustainability assessment protocol. The IHA Sustainability Assessment Protocol (2006) is a tool to assess sustainability performance on an aspect by aspect basis.
- Each aspect has a score, determined by the objective evidence brought forward in relation to each of the process and performance attributes. The focus to date has been on ensuring each section has the right aspects and attributes. The exact methodology for determining aspect scores is still to be determined.
- The existing Protocol makes no specification about how to go from the aspect scores for each section to a total sustainability score. This is yet to be discussed within the Forum.

What is the purpose of Section I (Strategic Assessment)?

- The aim of *Section I - Strategic Assessment* is to demonstrate the strategic basis for a hydropower development project, so that it is clear how a proposed project fits within a framework for development and sustainability.
- The Section I assessment evaluates the strategic need for energy and water and whether a proposed hydropower development is an appropriate solution.
- 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.

What is the purpose of Section II (Project Preparation)?

- The aim of *Section II – Project Preparation* is to demonstrate the sustainability of a hydropower project at the project preparation phase. During this stage, investigation takes place into a range of issues including siting, design, environmental and social impacts, risks and benefits and management plans are prepared.
- The Section II assessment can be used to evaluate whether all preparatory requirements have been met, management plans are in place and commitments are appropriate and binding.
- This section of the Protocol can be used prior to, and to inform the decision, to move forward with project implementation

What is the purpose of Section III (Project Implementation)?

- The aim of *Section III – Project Implementation* is to demonstrate the sustainability of a hydropower project at the project implementation phase during which construction, resettlement, environmental, social and other management plans and commitments are implemented.
- The Section III assessment can be used to inform the timing and conditions for commissioning the power station.

What is the purpose of Section IV (Project Operation)?

- The aim of *Section IV – Project Operation* is to demonstrate that a hydropower facility is being operated on a sustainable basis with active measures in place to continuously improve performance.