

Hydropower Sustainability Assessment Forum

Response to Consultation Phase 1 Issues

Introduction

The Hydropower Sustainability Assessment Forum (HSAF) is a two-year cross-sectoral process which aims to develop a broadly endorsed sustainability assessment tool to measure and guide performance in the hydropower sector.

To provide information for stakeholders during its first public consultation phase, in early January 2009 the HSAF released a document called the Hydropower Sustainability Assessment Protocol Key Components Document, which provided an outline of the structure and content proposed for the Hydropower Sustainability Assessment Protocol. Accompanying this document was overview information about the HSAF process, progress and future directions.

The first public consultation on HSAF's work ran from January 19th until February 27th 2009, with the following objectives:

- To establish relationships with stakeholders;
- To assist stakeholders to understand the Forum process and progress; and
- To provide opportunity for feedback.

In addition, HSAF wanted to use the consultation to help demonstrate that the process was not closed and alleviate any stakeholder anxiety about the process or end product. HSAF felt that it was important to obtain a good cross-sectoral representation of views and to understand the views of stakeholders directly affected by hydropower facilities or developments.

The HSAF Phase 1 Consultation Outcomes Report (February 2009) describes the consultation approaches and the responses received (see www.hydropower.org/sustainable_hydropower/hsaf.html).

The Phase I Consultation had four main components:

- Awareness raising through widespread notification of HSAF outputs and consultation process;
- Online questionnaire;
- Forum member engagement sessions; and
- Direct engagement with key stakeholders.

The HSAF Phase 1 Consultation Outcomes Report (February 2009) shows that overall the consultation process resulted in a fairly good set of responses, both in terms of the type of stakeholder responding and the geographic spread. 181 people started filling in the online questionnaire and also provided organisational information. Web statistics indicated that the widespread dissemination of information about the consultation had led to a significant number of people accessing information about HSAF on the website, with in the order of 2,000 more web hits compared to the previous month and compared to the same period in 2008.

The majority of responses received through all consultation mechanisms focused on relatively high level issues, although a reasonable number of responses to the online questionnaire section focussing on more detailed Protocol content issues were also received. The online survey seemed to work well for the hydropower sector, financial institutions and research organisations. Relatively few responses were received via any mechanism from governments or climate change organisations. Few NGOs or civil society organisations responded to the online questionnaire, and due to their concerns about the process, the Forum undertook a series of phone interviews. This led to a better understanding of civil society views, which was reinforced by the critique of the Key Components Document submitted by International Rivers at the end of the consultation process. The Forum member engagement sessions provided some very interesting feedback, in some cases from discussions between stakeholders from different sector which added extra richness.

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The Consultation Outcomes Report concluded that the Phase I consultation certainly helped to build stakeholder awareness of the HSAF process and its progress. Information was widely disseminated and reached most key hydropower stakeholders, although there remain some key gaps in terms of feedback from government and climate change organisations. Direct engagement helped overcome some misunderstandings and build relationships; the HSAF process and its aims now seem to be more broadly understood. A number of civil society organisations remain critical of HSAF and reluctant to engage but there is now a much clearer understanding by HSAF members of what the issues are. This consultation process also illustrated that direct contact (phone or in-person) was more helpful in developing mutual understanding than were in email exchanges.

As expected, the online questionnaire proved more popular with some types of stakeholder than others and, while a very useful tool that yielded helpful feedback, it would always need to be supplemented by alternative methods.

A second public consultation is planned for August-October 2009 (modified since the previous published work plan) when the Draft Hydropower Sustainability Assessment Protocol will be released. This Phase 2 Consultation will focus on the detail and practical application of the Protocol. The design of this second consultation will incorporate a number of regional and thematic approaches. It is planned that the draft protocol will be trialled in a number of different locations over the same period.

Issues Raised in the Consultation and Forum Response to these Issues

This document provides the Forum's responses to the issues raised in the Phase 1 Consultation. These are presented in groups starting with high level issues and moving to progressive levels of detail, as per the presentation in the Phase 1 Consultation Outcomes Report. This structure is:

High Level Issues

1. Process and Objectives
2. Structure and Level of Detail
3. Principles
4. Cross-Section Content
5. Scoring and Assessment

Detailed Content Issues

6. Section I Content
7. Section II Content
8. Section III Content
9. Section IV Content

Several challenges in the consultation process have become apparent to the Forum members based on review of the issues raised:

- Recommendations of the Forum up to this point in time were focussed on updating the structure of the existing IHA Sustainability Assessment Protocol (2006), ensuring full coverage of issues (aspects) and outlining the characteristics (attributes) of sustainability practices, and as such the Key Components Document released for comment was an interim document. Although the Forum's objective is to produce a tool against which developers, NGOs, government and an array of users can assess the level of sustainability performance, the scoring system has not yet been drafted. The scoring system will be apparent in the Draft Protocol on which the next consultation period will focussed, and this consultation Phase 2 will seek input on the scoring system and the applicability of the assessment tool.
- The Forum work plan of two years is seen by the Forum as a first phase, developing a broadly endorsed sustainability assessment tool for which there are many possible future

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pathways, including development of a sector standard. The Forum was seeking feedback on the assessment tool, but many comments made it clear that stakeholders want to know what happens next, what minimum requirements for acceptability would be built into a standard, and how would it be used, implemented and enforced. The Forum recognises that its work could be considered a pre-standard setting phase, but that if a future pathway is for development of a standard then the process for this would have to be defined. The Forum aims to be compliant with the *ISEAL Code of Good Practice for Setting Social and Environmental Standards* as far as practicable so that this work of the Forum would provide a good foundation stage for any future standard-setting process.

High Level Issues

Issue & Forum Response
Process and Objectives
<p>1a. Lack of understanding about the need for this protocol, given that WCD conclusions exist.</p> <p>The HSAF is a cross-sector collaboration looking at an existing performance measurement tool, the IHA Sustainability Assessment Protocol (2006), and proposing enhancements based on the views of a diversity of sectors. The objective is to agree on a measurement tool that is practical, objective, able to be implemented globally across a range of contexts, that facilitates objective decision-making and transparent arbitration on critical hydropower sustainability issues, that is committed to by the hydropower sector, and that is endorsed by external organizations. These are key drivers for the work of the Forum.</p> <p>By the end of the two year process (early 2010), the HSAF aims to have this broadly endorsed measurement tool for assessing hydropower sustainability. Once a foundation document is produced and broadly endorsed, there are many options for how it could be further developed. The HSAF will be interested in knowing what future pathways for the Protocol will have the most influence on lifting sustainability performance in the sector, and the requirements to develop those pathways. The opportunities and process for a follow-up to the HSAF will increasingly be a focal area as the HSAF moves into the latter part of 2009, but the HSAF is committed to get a broadly endorsed foundation document as a first step.</p> <p>The HSAF is not an attempt to duplicate or re-write the World Commission on Dams (WCD) outcomes. Unlike WCD, it is not a Commission reviewing performance of a sector. The WCD offered a much needed and comprehensive look at the issues and possible responses to dam development, the Protocol focuses on operational application. Although the WCD and the HSAF have different points of departure and different end products (WCD produced guidelines, HSAF is producing a measurement tool that sets out a graded spectrum of performance), much of the focus on sustainability considerations in the HSAF are and will continue to be informed by the WCD.</p>
<p>1b. Lack of sufficient detail on how HSAF process does or does not aim to implement specific aspects of WCD.</p> <p>Although implementation of WCD aspects is not an explicit objective of the Forum, understanding linkages is important to a variety of stakeholders. The Forum is committed to undertake and make publicly available an analysis of how the Key Components Document (January 2009) relates to WCD conclusions. The Forum is committed to review and consider this information in developing the gradation of levels of performance in the Draft Protocol. This exercise will be undertaken in time for the information to be communicated to external stakeholders during the Phase 2 Consultation (Aug-Oct 09), and updates to this document will be undertaken throughout further Protocol revision processes.</p>
<p>1c. Lack of representation of civil society on HSAF.</p> <p>The Forum provides a diversity of expertise and cross-sectoral views relevant to consideration of sustainability issues for hydropower projects throughout their life cycle, but does not claim to be fully representative of all stakeholder groups. There are four NGO representatives on the Forum, representing Oxfam, The Nature Conservancy, Transparency International and WWF. There are not however, representatives of NGOs from the South or from dam affected peoples. The establishment of reference</p>

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groups has helped inform some members of different viewpoints.

The Forum's Phase 1 Consultation (Jan-Feb 09) was focussed on raising awareness and developing relationships with stakeholders. Considerable effort was put into reaching and understanding the views of civil society organisations additional to the Forum NGOs, and to those organisations representing the views of dam-affected communities. Because of budget constraints, face-to-face opportunities were limited.

The Forum understands from its discussions with representatives of civil society groups that they are particularly concerned not so much with the development of an assessment tool that sets out a spectrum of performance, but rather with development of minimum standards of acceptability given that WCD outcomes exist.

The Forum commits to incorporate into the design of the Phase 2 Consultation (Aug-Oct 09) a number of regional approaches, and to make it an objective to get good insights into civil society and dam-affected peoples' views on both the Draft Protocol and its future directions. The Forum is committed to involve civil society representatives in the trialling program for the Draft Protocol (Aug-Oct 09) as well as to look for and pursue additional opportunities to involve civil society representatives in the Forum's forward work plan. The Forum welcomes any suggestions from civil society groups about ways to better include diverse opinions and experience of dam affected peoples and their support into the Forum process.

1d. Little understanding of the cross-sectoral nature of the HSAF, which has generally been identified as IHA process.

It is hoped that the awareness-raising and the consultation documentation from the Phase 1 Consultation have assisted in clarifying that this is not solely an IHA process. IHA is taking a leadership role in bringing together other sectors to collaborate with them in the Forum process, and by hosting the process administratively, but the interest and initiative of WWF and TNC were critical to its birth. The Forum members represent different organisations and sectors, all strongly committed to lifting performance standards in the hydropower sector and to a collaborative Forum process.

1e. Concerns from civil society about the current consultation process and the feeling that civil society in particular have been brought in too late and that (this) consultation process was not accessible to all. Most felt that they had engaged extensively and in good faith in WCD and did not want to expend time on any process that was not clearly building on it.

There is substantive work still to be done in development of the Protocol, the feedback from civil society and dam-affected peoples is considered important, and this will be an area of focus in the Phase 2 Consultation. The Phase 1 Consultation was budget-constrained and was unable to undertake regional consultation meetings. The Forum commits to design the Phase 2 Consultation to have a regional outreach and more face-to-face meetings with NGOs, and is campaigning for additional funds to achieve this. The Forum is committed to seek feedback of stakeholders in the design and planning for the Phase 2 Consultation, and to put a Phase 2 Consultation planning document on the Forum website for this purpose. The rich knowledge base and outcomes of WCD provide a guide to HSAF process and content. As mentioned earlier HSAF will publicly map its work against WCD.

1f. Lack of information about implementation and enforcement mechanisms, reducing desire of stakeholders to engage. Most stakeholders have no interest to see another set of guidelines developed unless there are clear mechanisms for enforcing its implementation. Suggestions for these included:

- requirement that all IHA members meet minimum standard
- minimum standard for financing decisions
- integration in national standards and policies
- certification

The Forum's work is based on the premise that development of a sustainability assessment tool is an important foundation step for efforts to lift sustainability performance in the hydropower sector. The Forum is developing an assessment tool that describes levels of performance on key hydropower sustainability issues without specifying guidelines or minimum standards on acceptable hydropower sustainability

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performance. This assessment tool will be available as a draft in June 2009, and after consultation and trialling intended to be finalised in early 2010. The Forum sees this assessment tool a foundation step, and that there will be follow-up work on different application and implementation pathways, all with the common objective of lifting sustainability performance in the hydropower sector. This follow-up work is yet to be defined.

Recognising the need of stakeholders and the Forum to start getting a better understanding of future implementation and enforcement mechanisms if organisations were to use the Protocol to inform decision-making, the Forum is committed to provide an analysis of the type, development requirements, and potential relative impact of options for implementation and enforcement mechanisms. A high level analysis will be available to stakeholders prior to commencing the Phase 2 Consultation (Aug-Oct 09). Depending on the results of this initial analysis, progressive analyses may be commissioned, if they can be seen to assist in proposals for the pathway forward after the Forum completes development of the sustainability assessment tool.

1g. Scepticism about the value of the protocol given 'lack of enforcement of previous IHA version'. Some civil society members felt that some IHA members were still guilty of poor practice, so had little interest in a new version of the protocol unless it was clear how companies would be required to meet it.

The IHA Sustainability Assessment Protocol (2006) is a voluntary assessment tool developed by the IHA that assesses performance against the IHA Sustainability Guidelines (2004). The first version was written in 2003, and it has been continuously improved based on voluntary trials done largely by IHA members. The IHA Guidelines and Protocol have been important steps for IHA in its commitment to advance sustainable hydropower.

The Hydropower Sustainability Assessment Forum is a major step for IHA, collaborating with a diversity of sectors in the interests of developing a broadly endorsed sustainability assessment tool for the hydropower sector. All Forum members, including the IHA members, are aware that this issue has been raised in the consultation. The Forum is not able to respond to this issue on behalf of IHA. However the Forum is committed to consider future pathways for the Protocol to maximise its impact on performance in the hydropower sector, and recognises that industry commitments are an important part of the set of future pathways.

1h. Interest from some stakeholders in facilitating interest & involvement and learning e.g. UNEP offered help with governments, a number of stakeholders suggested engaging with IFC and learning from their experience with the performance standards.

The Forum and all its members are highly committed to facilitating interest, involvement and learning in sustainability practices in the hydropower sector, and many of the Forum members have their own organisational initiatives towards this end. The Forum commits to follow up with UNEP to better understand the assistance they are offering to the Forum. The Forum also commits to setting up a meeting with IFC to learn from their experience with their performance standards.

1i. Concerns about ease of use of some of the consultation materials and, in particular, lack of translation.

Transparency and accessibility are important commitments for the Forum. The Forum is committed to continue to work on making the Protocol and accompanying documents as clear and accessible as possible. The Forum has made available considerable information about the Forum and its proceedings on the internet (www.hydropower.org/sustainable_hydropower/hsaf.html). The Forum recognises that internet-based communication approaches will not reach all interested stakeholders, and is committed to design more regional and face-to-face approaches into the Phase 2 Consultation. One of the Phase 1 consultation documents, a 5-page overview document, was translated into Spanish and made available for consultation. For the Phase 2 Consultation, the Forum aims to translate the Draft Hydropower Sustainability Assessment Protocol into 4 languages (French, Spanish, Portuguese, Mandarin Chinese), and is presently exploring the cost and timing requirements to ensure this can happen. Members will also explore opportunities for further translation for specific meetings and outreach.

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<p>Structure and Level of Detail</p>
<p>2a. 4 section structure works well for anyone close to the sector, not necessarily so well for other stakeholders. Confusion remains about whether the sections can be stand-alone and how they link together. A couple of stakeholders felt that there should be an additional section on decommissioning and one suggested an additional section on relicensing.</p> <p>In the redrafting process the Forum will continue to develop the best ways to present the information, and will be informed in this by ongoing feedback.</p> <p>Currently, the four sections, which relate to different stages of the project life cycle, are intended to each stand alone. An assessment at any stage of the project life cycle is not dependent on an assessment having been done at an earlier stage. The Forum is committed to provide in the Draft Protocol a clear 'user guide' process diagram to make the sections and how to utilise them clear. The Phase 2 Consultation will allow the opportunity for stakeholders to comment on whether this diagram provides greater clarity.</p> <p>The Forum does not intend to add additional sections to address decommissioning or relicensing. The user guide process diagram will illustrate that for assessments to support decisions on relicensing or decommissioning of operating facilities, users would go right back to the start of the project cycle i.e. strategic assessments).</p>
<p>2b. Aspects are at different scales. There are so many aspects that some of fundamental importance are lost in the detail.</p> <p>The Protocol needs to reflect the many dimensions of hydropower sustainability, including economic, environmental, financial, social, and technical aspects as well as many issues that cut across these themes. The Forum is committed to explore options in how to apply the Protocol so that aspects clearly communicated to the Forum to be of fundamental importance are not lost in the detail. Mapping of high profile and cross-cutting themes, supplemented by guidance notes, will be part of this approach. The Phase 2 Consultation will allow the opportunity for stakeholders to review how well this has been achieved in the Draft Hydropower Sustainability Assessment Protocol, and to make any suggestions on how to do this better.</p>
<p>2c. Financial institutions had particular issues with the format. Key issues, raised by almost all financial institution respondents, were:</p> <ul style="list-style-type: none"> • too detailed and not structured appropriately for their needs; • lack of linkage to IFC performance standards leading to concerns about usefulness and 'wheel reinvention'; • need a minimum standard to be set to be useful as an assessment tool. <p>The Forum is committed to gain a better understanding of the concerns of the financial institutions, and their proposals for how these concerns could be addressed, through meetings between the Forum Coordinator, Forum representatives, the Equator Banks Forum representatives, and the IFC. The Forum will liaise with the Equator Banks to see if they can provide recommendations to the Forum on how the Key Components Document could incorporate the IFC Performance Standards.</p>
<p>2d. Several stakeholders felt that the protocol was focused on large hydropower and it would need to be adapted for small and medium scale small hydropower.</p> <p>The Forum is committed to development of a globally applicable sustainability assessment tool for hydropower, regardless of type or scale. The Forum will develop instructions in the Draft Protocol on how to apply it to the assessment of projects of different types and scale.</p> <p>The Forum is committed to seek input on how to ensure relevance of the Protocol to small hydropower. The Forum is further committed to seek the assistance of these organisations to ensure that small hydropower projects are included in the trialling of the Draft Hydropower Sustainability Assessment Protocol.</p>
<p>2e. A number of stakeholders felt that the protocol would need to be adapted for individual country</p>

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circumstances, particularly developing countries.

The Forum is committed to development of a globally applicable sustainability assessment tool for hydropower, regardless of what part of the world it is in. The Forum recognises that it did not get a strong response from governments during the Phase 1 Consultation, and is committed to make engagement with governments a high priority objective for the Phase 2 Consultation. The Forum will seek to gain a greater understanding on this issue, and what sort of adaptation stakeholders who have raised this issue have in mind. A particular point to focus on is the relationship of the Protocol to national laws and regulations, and how governments might utilise the Protocol. The Forum will also discuss with the IFC how they take into account individual country circumstances in their performance standards.

Principles

3a. Key difference between the WCD's 'rights based approach' and HSAF's which does not include rights in the principles. Stakeholders ranging from development banks to civil society suggested either that this should be included in the principles or that the principles should state explicitly that the protocol draws on WCD.

Although there were quite a few comments about the principles on SurveyMonkey, there were no clear themes and overall the people responding to seemed comfortable with them. Principle 5 attracted the most comments, in particular about the phrase 'balancing economic, social and environmental values' with suggestions to refocus both on trade-offs and synergies.

The Forum recognises that human rights could be more apparent in the Key Components Document, and agrees to look at mechanisms by which this could be achieved. In particular, the Forum supports the initiative of Oxfam to have recommendations developed on how human rights could be better reflected in the Key Components Document, and is committed to discuss and seek agreements on those recommendations.

The Forum will re-visit the wording of Principle 5 so that it picks up on the themes of trade-offs and synergies.

3b. HSAF should reference all key standards and principles it is referencing or proposing to adopt, e.g. Equator Principles, UN Global Compact, World Bank Operational Policies, IFC Performance Standards.

The Forum interprets the word 'reference' in this issue to mean 'review and take into consideration'. In its process of developing a broadly endorsed hydropower sustainability assessment tool, the Forum is informing itself about other key standards and principles, their approaches, and the role that they play. The Forum has already looked at the relationships between the existing IHA Sustainability Assessment Protocol (2006) and WCD Strategic Priorities, IFC Performance Standards, and World Bank Safeguards Policies. The Protocol is a tool for continuous improvement, and the Forum recognises that its members may not be able to substitute the standards used by their organisations with a product coming out of the Forum. However, the diversity of Forum membership, and the close familiarity with some of the Forum membership with some of these key standards and principles, enables the Forum to consider how these different standards can be reflected in the Protocol.

As stated in the response to 1b, the Forum is committed to undertake and make publicly available an analysis of how the Key Components Document relates to WCD aspects. As stated in the response to 2d, the Forum has requested the Equator Banks to provide input to the Forum in the form of recommendations on the Key Components Document to incorporate the IFC Performance Standards. As the Forum progresses, it will gain a greater understanding of the relationship of the developing Protocol with other standards and principles. How these might be referenced in the Protocol remains to be discussed by the Forum.

3c. Should 'no-go' areas for hydropower, such as national parks, World Heritage sites or Ramsar sites be defined.

Specifically with the issue raised, the Forum recognises that this is relevant to Section I aspects such as Options Assessment, and Regional & National Policies & Plans, and in Section II aspects such as Site Selection & Design, and Biodiversity. The Forum aims to design the Protocol to reflect the priority of

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<p>approaches being avoidance, followed by where avoidance is not possible, minimisation, mitigation or compensation, and will carefully consider how this is presented in the Protocol with respect to the above comment.</p>
<p>Cross-section content</p>
<p>4a. Too many issues and attributes, protocol needs to be slimmed down.</p> <p>The Forum is committed to development of a practical, clear and objective assessment tool. It recognises that fewer aspects and fewer attributes would shorten the document; however, at the risk of losing important sustainability issues. Additionally, the Forum does not want to aim for a limited number of aspects for each section, because lumping of aspects together in the interests of fewer aspects may just increase complexity.</p> <p>The Forum will develop a ‘reference map’ up front in the Draft Hydropower Sustainability Assessment Protocol to illustrate the cross-cutting dimension of various aspects and attributes (e.g. climate change, human rights, gender, transparency), or where to find concepts stakeholders have indicated they are looking for (e.g. transboundary river basins), and where to find them in the document.</p>
<p>4b. Confusion about how section I would be used, and its practicality.</p> <p>The Forum is committed to have strategic assessments (demonstrated need, options assessment, regional/national policies and plans, political risk, institutional capacity), reflected in the Section I content, as high priority considerations at the earliest stage of the project life cycle. The Forum recognises that different sectors have different assessment needs and considerations prior to the decision to invest in project preparation. The Forum also recognises that the responsibilities of the different sectors (e.g. government, developers) prior to project preparation differ. The Forum is committed to the development of a practicable assessment tool that is easily understood, will be utilised, and will have an impact on sector performance. It will take on board these considerations when drafting the more detailed content of Section I. The utility of Section I to different sectors, and the practicability of Section I in actual assessments, will be tested in the Phase 2 consultation and trialling.</p>
<p>4c. Does not take a basin-wide approach. Needs to do so to deal with cumulative impacts of hydropower projects in a basin.</p> <p>The Forum is committed to investigate how best to represent basin-wide and cumulative impact considerations in the Protocol. It is recognized that high performance requires that cumulative social and environmental impacts are covered in the respective impact and options assessments and management plans.</p>
<p>4d. Does not mention compliance with existing laws and regulation as a minimum requirement – instead proposes to score ‘level of compliance’.</p> <p>The Draft Protocol will set out a spectrum of performance on key hydropower sustainability issues without specifying guidelines or minimum standards on acceptable hydropower sustainability performance. The Forum understands the view that a project is either compliant or non-compliant. However within the structure of the Protocol, there can in fact be set out a spectrum of performance with respect to compliance, ranging from non-compliance on many significant issues; to overall compliance with minor, temporary and publicly reported non-compliances; to exceeding legislative requirements. These milestones of performance are well-recognised. The Forum is committed to obtain broad endorsement for an assessment tool in this style, setting out the spectrum of performance across the range of key sustainability issues, with the understanding that from this, minimum standards of acceptability could be defined including with respect to compliance.</p>
<p>4e. Does not require Free Prior and Informed Consent.</p> <p>Community Acceptance and Indigenous Peoples are two of the Protocol aspects in the Key Components Document, and level of stakeholder support is a common attribute for many of the Protocol aspects. The Draft Hydropower Sustainability Assessment Protocol will spell out the gradation of levels of performance for these considerations.</p>

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<p>Free Prior and Informed Consent is a concept represented in the WCD outcomes. As stated in the response to issue 1b, the Forum is committed to undertake and make publicly available an analysis of how the Key Components Document relates to WCD. This would include how FPIC is represented in the Key Components Document. The Forum is committed to review and consider this information in developing the gradation of levels of performance in the Draft Protocol. The forthcoming human rights analysis, mentioned in the response to issue 3a, will also address this issue.</p>
<p>4f. Does not require ‘demonstrable public acceptance’ for key decisions.</p> <p>As per the responses to 4d and 4e, the Protocol sets out levels of performance on key hydropower sustainability issues. Level of stakeholder support and level of community acceptance are assessed in the Protocol. The levels will be defined in the Draft Hydropower Sustainability Assessment Protocol document. The need for transparency in the use of objective evidence indicated in the word “demonstrable” has been recognised and will be addressed in the context of further drafting exercises.</p>
<p>4g. Insufficient attention and lack of linkages to human rights.</p> <p>The Forum recognises that human rights could be more apparent in the Key Components Document, and agrees to look at mechanisms by which this could be achieved (see response to issue 3a). In particular, the Forum supports the initiative of Oxfam to have recommendations developed on how human rights could be better reflected in the Key Components Document, and is committed to discuss and seek agreements on those recommendations. The Forum is committed to demonstrate up front in the document where important cross-cutting issues such as human rights are found in the document.</p>
<p>4h. Insufficient emphasis and wrong focus on resettlement issues. Should be re-oriented to require ‘avoidance of displacement’.</p> <p>The Forum is committed to review the emphasis and focus of the wording for the Resettlement aspect as presently reflected in the Key Components Document, in light of the issues raised.</p>
<p>4i. Does not deal with impacts on populations that are not displaced but on whom there may be significant impacts, e.g. downstream communities.</p> <p>The Forum intends that the Protocol addresses issues for directly and indirectly affected communities through a range of aspects. It is recognized that high performance requires an appropriate scoping of the social impact assessments and management plans. With respect to downstream communities in particular, there is an aspect called Environmental Flows & Downstream Sustainability, which intersects with aspects on indigenous peoples, community acceptance and others. The Forum commits to review the Key Components Document to identify where references to affected communities (both directly and indirectly) is made, to ensure that this is sufficiently apparent and that there are not significant gaps.</p>
<p>4j. Insufficient emphasis on climate change.</p> <p>The Forum recognises the importance of climate change considerations to the Protocol, and has had presentations and discussions on this subject at Forum Meeting 5. The Forum chose to have the different climate change considerations found under relevant aspects (e.g. Management of the Hydrological Resource, Reservoir Management) rather than its own aspect. The Forum commits to review the Key Components Document to identify where references to climate change are made, to ensure that this is sufficiently apparent and that there are not significant gaps, and to review based on this information whether it could be better expressed in the Protocol. The Forum is committed to demonstrate up front in the document where important cross-cutting issues such as climate change are found in the document.</p>
<p>4k. Existing aspects should include a corruption risk assessment and corruption preventative measures e.g. resettlement.</p> <p>The Forum recognises the importance of corruption risk assessment and corruption prevention measures in the Protocol, and has had presentations and discussions on this subject at Forum Meeting 2. The Forum commits to review the Key Components Document to identify where references to corruption risks are made, to ensure that this is sufficiently apparent and that there are not significant gaps, and to review based on this information whether it could be better expressed in the Protocol. The Forum is committed to demonstrate up front in the document where important cross-cutting issues such as anti-corruption are</p>

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found in the document.
<p>4l. Key terms need defining, e.g. 'affected community', 'civil society organisation'. The Forum commits to have a glossary of key terms as an annex to the Protocol.</p>
Scoring and Assessment
<p>5a. Current lack of clarity on approach to scoring is leading to confusion and concern, e.g. that if a project scored low on social issues but high on technical issues that would be OK. Scoring is viewed as likely to be very complicated due to the number of aspects and attributes and that this could lead to potential abuse.</p> <p>A major focus of the Forum work leading up to the Phase 1 consultation was the key hydropower sustainability issues and the criteria against which one would assess them. Information was not provided in the Phase 1 consultation documents on the approach to be taken to scoring, and the Forum recognises the concerns about how this will be approached. The approach to scoring was a major focus of Forum Meeting 6 (March 2009), with particular attention to issues raised in the consultation. How well the approach in the Draft Protocol addresses the concerns raised in the Phase 1 Consultation will be tested in the Phase 2 Consultation and in the trialling.</p>
<p>5b. HSAF should set minimum standard (e.g. 3). This is very important to key groups of stakeholders, particularly financial institutions and civil society.</p> <p>The Forum is developing an assessment tool that sets out levels of performance on key hydropower sustainability issues. This is based on the premise that such an assessment tool is an important foundation document for efforts to lift sustainability performance in the hydropower sector. This assessment tool will be available as a draft in June 2009, and finalised by early 2010. Applications of the Protocol and pathways forward, including development of a sector standard with minimum requirements for acceptability, and the processes appropriate to pursue the different pathways, will be considered as the Forum moves into the latter part of 2009.</p>
<p>5c. A number of different issues regarding weighting were raised e.g.</p> <ul style="list-style-type: none"> - weighting should be used to identify critical aspects from amongst the more numerous ones, - weighting of different aspects and attributes should be determined nationally. - performance attributes should be weighted more highly than process attributes (as they relate to outcomes) <p>The issue of weighting had not been addressed by the Forum in the time period leading up to the Phase 1 Consultation. The Forum recognises the concerns about weighting, and discussed this at Forum Meeting 6 (March 2009). How well the approach in the Draft Protocol addresses the concerns raised in the Phase 1 Consultation will be tested in the Phase 2 Consultation and in the trialling.</p>
<p>5d. Concerns raised about who would do the assessments and make the judgments and how there would be consistency.</p> <p>The Draft Hydropower Sustainability Assessment Protocol will have an introductory section including who would use this document, and how assessments should be undertaken.</p>
<p>5e. Some stakeholders felt that the example of evidence given did not look 'objective and verifiable' and therefore they felt that assessments would be very subjective.</p> <p>The Forum commits to review the examples of evidence listed in the Key Components Document, and will consider how to ensure these are the most transparent, objective and verifiable when developing the content of the Draft Hydropower Sustainability Assessment Protocol.</p>

Detailed Content Issues

Issue - Section I

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<p>6a. Transboundary issues should be part of political risk.</p> <p>Agreed.</p>
<p>6b. Social and environmental should be given equal weight with economic considerations in the assessment of options.</p> <p>The Forum sees this comment as relevant to the Options Assessment aspect in Section I. The Forum will review the content of this aspect to ensure that the need to assess all options is apparent, and that multi-criteria analysis based on social, environmental and economic considerations is more explicit.</p>
<p>6c. Stakeholder assessment and mapping should be explicitly mentioned.</p> <p>Agreed.</p>
<p>6d. Benefit sharing should be an aspect on its own.</p> <p>At present, benefit sharing is a major component of the Section II Project Benefits aspect. The Forum recognises that project benefits are also relevant as a basin-wide consideration, and the Forum will consider this when looking at Section I.</p>
<p>6e. Energy assessment (including alternative energy analysis) missing in this section.</p> <p>The Forum notes that it is found in Section I as an attribute under the Demonstrated Need aspect, and that it is clear in the description of the Options Assessment aspect. The Forum will consider whether this could be made clearer in any guidance notes supporting these aspects.</p>
<p>6f. Legal, judicial, environmental framework and social risks should be considered in this phase too.</p> <p>The Forum will make legal and judicial risks more explicit under the Section I Institutional Capacity aspect, and also check how this is expressed in the Section I Political Risk aspect.</p> <p>Environmental, social (and economic, technical) risks are relevant to almost all of the Section I aspects, and the Forum commits to checking that they are mentioned very explicitly in appropriate places.</p>
<p>6g. No clear aspects regarding economic, environmental and social issues. It gives the impression that this section is not related to sustainability.</p> <p>Section I has a significant emphasis on taking the right steps to avoid unmanageable impacts at the earliest stages, and is seen to be useful both for governments and developers. The Forum will consider how to make economic, environmental and social issues more explicitly seen in this section. The Forum notes that one of the biggest sustainability challenges at this early stage is in how to bring these considerations together.</p>
<p>6h. The developer's focus should be risk assessment. Regional energy policy and resource allocation, including explicit trade-off among possible resources and setting sustainability criteria is a government responsibility.</p> <p>Through Section I, the Forum is trying to develop an assessment tool that serves both the governments and the developer. The Forum understands that the developer's focus leading up to the decision to invest in project preparation is around risk assessment and strategic project planning. The Forum wants Section I to serve as an assessment tool to consider the situation where there may not be a hydropower project. The Forum notes that the view of governments was not strongly represented in the response to the Consultation Phase 1, and will make it an explicit objective in Consultation Phase 2 to get this viewpoint.</p>
<p>6i. The need for water should be analysed, not only for hydropower use but also in terms of drinking and other uses of water for present and future requirement.</p> <p>The Forum will review the Section I Demonstrated Need aspect to ensure that this is sufficiently emphasised. The Forum commits to assess how integrated water resource management concepts are represented in the Protocol as a cross-cutting issue, and to make this apparent in the Protocol.</p>
<p>6j. Section I should be on a project level. The 5 aspects mentioned in Section I do not reflect the</p>

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project risks and opportunities required for an international project developer / investor to be considered prior to a pre-Feasibility Study.

As stated in the response to issue 1g, through Section I the Forum is trying to develop an assessment tool that serves both the governments and the developer. The Forum understands that the developer's focus leading up to the decision to invest in project preparation is around risk assessment and strategic project planning. The Forum wants Section I to serve as an assessment tool to consider the situation where there may not be a hydropower project. The Forum notes that the view of governments was not strongly represented in the response to the Consultation Phase 1, and will make it an explicit objective in Consultation Phase 2 to get this viewpoint.

6k. Lack of direct explanation of the demand for regulation of rivers for flood control, navigation or solution for geopolitics demands on the Demonstrated Need aspect.

The Forum commits to have a guidance note on the Section I Demonstrated Need aspect which provides better explanation of various water uses and functions. The Forum will ensure that geopolitical risks are picked up under the Section I Political Risk aspect.

6l. Would be useful to address the matter of a compliance plan, thereby addressing monitoring and observance of the 'rules of the game' and their application from the start.

The Forum does not consider this an issue relevant to Section I, but agrees that it is highly relevant to Sections II, III and IV. The Forum commits to check that this is adequately represented in these sections.

Issue - Section II

7a. Rename 'communications' as 'community engagement' and include social considerations, including stakeholder identification and mapping, consultation, grievance and dispute resolution mechanisms, and conflict analysis.

The Forum recognises that communications is a cross-cutting issue. The Forum sees that the issues raised here are relevant to assessment of the quality of the consultative process, which is highly relevant at the attribute level to many of the Protocol aspects. The Forum notes that there are other aspects of communications that are not picked up by assessing the quality of the consultative process on individual aspects, but is undecided about whether it needs to be its own aspect. The Forum will map how well the different communications considerations are represented in the Key Components Document, and make a decision upon seeing this information as to whether communications needs to be its own aspect.

7b. Protocol should require 'avoidance of displacement' in 7.5 and 7.14.

Section II aspect 7.5 in the Key Components Document is Site Selection and Design Optimisation, and aspect 7.14 is Social Management Plan. The Forum considers the comment is also relevant to other aspects including 7.18 Resettlement. The Forum considers the comment relevant to how the levels of performance are defined in the Protocol, and aims to design the Protocol to reflect the priority of approaches being avoidance, followed by where avoidance is not possible, minimisation, mitigation or compensation.

7c. Involuntary resettlement should be avoided, either by avoiding projects that require involuntary displacement or making resettlement options so attractive that people will move voluntarily.

The Forum notes that involuntary resettlement is an issue relevant to several aspects, as noted in the response to issue 7b above. The Forum considers the comment relevant to how the levels of performance are defined in the Protocol, and aims to design the Protocol to reflect the priority of approaches being avoidance, followed by where avoidance is not possible, minimisation, mitigation or compensation.

7d. Improvement in livelihoods must be unequivocal. Should not have the caveat of 'ideally' in 7.18.

Aspect 7.18 in the Key Components Document is Resettlement. The Forum is committed to map how assessment of livelihoods is presently represented in the Protocol, and from this to consider how it could be more effectively addressed.

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7e. Timing issues should be included when dealing with any displacement issues. Trigger for setting permanent move date should be specified and livelihoods must be improved as soon as people move.

The Forum notes that there is a performance attribute in the Section II Resettlement aspect (7.18 in the Key Components Document) that assesses the timing of resettlement. Timing is also a relevant consideration under the Section II Integrated Program Management aspect, and the Forum will check to see if this could be made more explicit.

7f. Land-for-land compensation should be adopted as the basis for compensation in 7.18.

Aspect 7.18 in the Key Components Document is Resettlement. The Forum will consider this issue in the development of the aspect scoring and guidance notes for the Section II Resettlement aspect.

7g. Indigenous peoples' rights to Free Prior and Informed Consent should be recognized in 7.16.

Aspect 7.16 in the Key Components Document is Indigenous Peoples and Ethnic Minorities. The Forum will consider the comment when developing the scoring levels and appropriate guidance notes and cross cutting themes.

7h. Any project requiring displacement of indigenous people should be moved. Should consider this in the protocol or at least require FPIC.

In the Key Components Document this comment is relevant to a number of aspects, including Section I aspect 6.2 Options Assessment, and to Section II aspects 7.5 Site Selection and Design Optimisation and 7.16 Indigenous Peoples and Ethnic Minorities. The Forum will consider the comment when developing the scoring levels and appropriate guidance notes and cross cutting themes.

7i. Demonstrable public acceptance of key decisions should be required in Social Impact Assessment (7.13) and Social Management Plan (7.14).

The Forum will consider the comment when developing the scoring levels. The need for transparency in the use of objective evidence, indicated in the word "demonstrable" in the comment, has been recognised and will be addressed in the context of further drafting exercises.

7j. Different views on whether water quality should be a separate aspect or linked to sedimentation and erosion.

The Forum will add Water Quality to aspect 7.31 so that this will read Sedimentation, Erosion and Water Quality.

7k. Revise attributes for 'construction management plan'. Compliance with what needs to be specified.

The Forum notes that level of compliance is not relevant at the Project Preparation stage (Section II), but notes that the aspect should check that the construction management plan should have meeting and monitoring for compliance built into the plan.

7l. Quality of Human Resources Policy and Recruitment Procedures should be added.

The Forum will consider how to make this more explicit under aspect 7.21 Labour and Working Conditions, and also notes that it has relevance to aspect 7.7 Corporate Governance.

7m. Under environmental issues 'waste management' should be included for the construction and operational phases.

The Forum notes that Waste, Noise and Air Quality Management is an aspect in Section III, Project Implementation. In Section IV, Project Operation, it is implicit in the Environmental Management aspect. The Forum will consider if it needs to make it more explicit in section IV.

7n. Social Investment Opportunity to Local People should be added. All interested local people, local government and project affected families should be given priority to invest in hydropower project in equity investment.

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<p>The Forum will endeavour to make this clearer in aspect 7.23 on Project Benefits.</p>
<p>7o. Missing aspects include compensation, benefit sharing, camp operation, definition of the project area of influence.</p> <p>The Forum will see how it can make compensation and benefit sharing stand out more explicitly in the Protocol. Camp operation is considered covered in aspect 7.11 Construction Management Plan. The Forum will check to ensure that definition of the project area of influence is clearly reflected in appropriate places in the Draft Protocol.</p>
<p>7p. International Competitive Bidding should be a requirement included under procurement in 7.12.</p> <p>Section II aspect 7.12 in the Key Components Document is Procurement. The Forum notes that the degree of competitiveness of the bidding market, and the level of transparency in the bidding process, are important considerations to have in the Procurement aspect. The Forum further considers that local bidding can be important to building the local community and ensuring that they share in the project benefits. The Forum will have these as important considerations when drafting the Procurement aspect, and will consider how international competitive bidding fits in with this.</p>
<p>7q. Affected people should have the right to access key project information in 7.22.</p> <p>Aspect 7.22 is Communications, in which level of transparency and level of access to information are important considerations. The quality of the consultative process, and the level of transparency, are attributes (scoring criteria) common to many of the Protocol aspects. The Forum will check to ensure that these are present at all appropriate aspects, and will endeavour to provide further information in the form of guidance notes on these issues.</p>
<p>7r. Compliance mechanisms should be included in 7.2.</p> <p>Aspect 7.2 is Public Sector Governance. The Forum will look at how compliance mechanisms can be appropriately presented in this aspect.</p>
<p>7s. Labour rights and requirements should be included in 7.21.</p> <p>As mentioned in the response to issue 3b, an analysis of human rights in relation to the Key Components Document content is presently underway, and the Forum will look at the advice on how it should be best represented in the Protocol.</p>
<p>7t. Terms such as ‘meaningful participation’ and ‘broad community support’ are unclear and too weak. Should require FPIC and benefits sharing including impact-benefit contracts or compensation agreements in the allocation of revenues.</p> <p>The Forum is developing guidance notes, scoring instructions and a glossary to be clear on terms. The Forum will take note of these comments with respect to spelling out scoring levels and objective evidence for the Community Acceptance and Project Benefits aspects.</p>
<p>7u. Should include grievance mechanisms and community engagement.</p> <p>The Forum notes that this comment is relevant to Section II aspect 7.19 Community Acceptance, and also to many attributes relating to quality of the consultative process and community acceptance. The Forum notes that grievance mechanisms can mean different things to different people, and it will provide guidance notes to be clear on what is meant by this in the Protocol.</p>
<p>7v. Clearer guidance on acceptable greenhouse gas emissions required in 7.27. Perhaps set ratios of allowable emissions in tonnes of CO₂e per MW.</p> <p>The Forum notes the problems with robust methodologies for measurement or prediction of greenhouse gas emissions from reservoirs at this point in time. The Forum is not setting acceptable limits or specifying allowable emissions. At this point in time, the Forum believes it is appropriate for the Protocol to examine the degree to which the issue of greenhouse gas emissions from reservoirs has been looked at and considered in appropriate aspects such as Section II aspect 7.5 Site Selection and Design Optimisation and 7.27 Reservoir Management. The Forum is mapping where climate change issues such as this fit in the Protocol, to ensure the proponent is looking at the issues and the level of risk, and the degree to which</p>

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<p>the proponent is avoiding, reducing, mitigating or compensating the risks.</p>
<p>7w. Biodiversity and habitat section should include ‘no-go zones’. Should also include compensatory offsets with the principle that biodiversity is better off with the hydro project. Include guidance on ratios such as hectares inundated/MW and hectares inundated/hectare irrigated.</p> <p>The Forum notes that aspect 7.29 on Biodiversity, Habitats and Protected Areas is directly relevant to this comment. The Forum will take note of these comments when developing the scoring levels and guidance notes for this aspect.</p>
<p>Issue - Section III</p>
<p>8a. Governance and anti-corruption issues should be included in this section.</p> <p>The Forum will check the content to ensure that these issues are appropriately represented in Section III.</p>
<p>8b. Include new aspects ‘Financial Viability’ and ‘Economic Viability’.</p> <p>The Forum will add these aspects to the Section III content, recognising the importance of having each Section stand alone.</p>
<p>8c. Rename ‘communications as ‘community engagement’ and merge with community acceptance.</p> <p>Process attributes should include:</p> <ul style="list-style-type: none"> - Quality of the stakeholder/ community identification process, - Level of disclosure of information, - Quality of community participation and consultation plan - Quality of grievance management <p>Performance attributes should include the following:</p> <ul style="list-style-type: none"> - Degree to which stakeholder views are reflected in the decision-making process - Quality of the community/stakeholder confirmation/agreements - Level of community/stakeholder support <p>It is suggested that the Livelihood programme should be a separate aspect.</p> <p>The Forum calls attention to its response to issue 7a on the Communications aspect, and that it will consider how these issues are best reflected in the Protocol document. The Forum will also map how well livelihoods are reflected in the document, and see if having an additional aspect is the best approach to address it within the Protocol structure.</p>
<p>8d. Cultural Heritage performance attribute should include the ‘degree to which impacts to cultural heritage are comprehensively avoided, minimised, mitigated, and compensated’.</p> <p>The Forum notes and will consider this suggestion when developing the Draft Protocol content.</p>
<p>8e. Asset and Community Safety examples of evidence should include ‘Independent expert testimony on safety aspects of dams’. Performance Attributes should include ‘Level of risk associated with the use of security personnel’.</p> <p>The Forum notes and will consider these suggestions when developing the Draft Protocol content.</p>
<p>8f. Procurement should be included.</p> <p>The Forum will add a Procurement aspect to Section III.</p>
<p>8g. Need to consider the long term impact on the local community.</p> <p>The Forum will check to ensure that this is adequately considered.</p>
<p>8h. Impact of migratory work force.</p> <p>The Forum will check to ensure that this is adequately considered.</p>
<p>Issue - Section IV</p>

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9a. Governance and anti-corruption issues should be included in this section.
The Forum will check the content to ensure that these issues are appropriately represented in Section IV.
9b. Biodiversity, Habitats and Protected Areas process attributes should also include ‘Degree and quality of habitat mapping’. Performance attributes should include ‘Degree to which impacts to biodiversity, natural habitats and protected areas are comprehensively avoided, minimised, mitigated, and compensated’. Examples of evidence should include ‘Biodiversity Action Plan’.
The Forum notes and will consider these suggestions when developing the Draft Protocol content.
9c. Include new aspect on economic viability.
The Forum will add this aspects to the Section IV content.
9d. Evaluation of public health risks should explicitly mention ‘Emergency Planning’.
The Forum notes and will consider this suggestion when developing the Draft Protocol content.
9e. Consider separately the Human Capital aspects relative to project operation.
The Forum will review the Section IV content to check how human capital aspects are presently represented, and if there are any significant gaps.
9f. The role of public sector governance and its interface with corporate governance is missing. For example, are there effective mechanisms in place during project operation for the project to engage with and respond to needs and strategies at the local, regionally or national level as they evolve over the life of the project?
The Forum will consider these comments when developing the Section IV content.
9g. Adaptive management is missing. For ongoing projects, re-operation and retro-fitting to improve sustainability is missing.
The Forum will check to ensure that adaptive management is well-reflected in the Section IV content.
9h. The radiation of electromagnetism should be a key component of section IV environmental aspects.
The Forum notes and will consider this suggestion when developing the Draft Protocol content.
9i. Waste, noise, the waste include waste oil from the power generation unit and cooling water and so on, should also be key components of section IV environmental aspects.
The Forum notes and will consider this suggestion when developing the Draft Protocol content.