

# Minutes of HSAF Strategic workshop: Closure of Phase I and Phase II Hydropower Sustainability Protocol Implementation

3-4 November 2010, London, UK

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## Workshop Attendance

### Present

Refaat Abdel-Malek (IHA)  
David Harrison (TNC)  
Joerg Hartmann (WWF)  
Geir Hermansen (Norway)  
Israel Phiri (Zambia)  
Cathleen Seeger (GTZ)  
Andrew Scanlon (IHA)  
Karin Seelos (Statkraft)  
Gwen Terras (Société Générale, Equator Bank)

### Workshop Facilitator

Roger Gill (IHA)

### IHA Central Office

Michael Fink  
Cameron Ironside  
Lau Salli  
Amelia Sharman  
Richard M Taylor

### Apologies

Daryl Fields (World Bank)  
Gudni Johanneson (Iceland)  
Donal O'Leary (Transparency International)  
Zhou Shichun (China)  
Michael Simon (Oxfam)  
Yu Xuezhong (China)

Forum Strategic Workshop commenced at 09:00 on Wednesday 3 November 2010 and closed at 18:00 on Thursday 4 November 2010. The workshop was hosted by IHA at Nonsuch Mansion, Surrey, UK.

Not all agenda items were addressed in the order presented in the workshop agenda, and some agenda items were partially covered on day one and completed on the second. These minutes record the workshop by agenda item in the order presented in the workshop agenda.

Note that relevant slides drawn from IHA's presentation to the workshop as amended during the workshop (where appropriate and based on participants' comments) have been included as annexes for guidance purposes.

Agenda item		Minutes / Agreements / Action Points	
<b>1. Opening</b>			
1.1 Opening	<p>Roger Gill welcomed the Forum members to the workshop. The Forum members introduced themselves and individually provided their expectations for the workshop.</p> <p>The main workshop priorities were:</p> <ul style="list-style-type: none"> <li>- Developing a roadmap for implementation of the Protocol;</li> <li>- Clarity on informal/formal use of the Protocol;</li> <li>- Clarity on terms and conditions (T&amp;C) for the Protocol; and</li> <li>- Finalising the Statement of Conclusion and process for Letters of Support.</li> </ul>		
<b>2. Closure of Phase I</b>			
2.1 Closure of Phase I	<p>Forum members discussed how Phase I would be closed, with specific reference to the Statement of Conclusion. Specific areas of concern were:</p> <ul style="list-style-type: none"> <li>- The relationship between the Statement of Conclusion, Letters of Support and references to the T&amp;C made in the Background document of the Protocol.</li> <li>- The content and timings of the Letters of Support.</li> </ul> <p>IHA noted that it was important for the outside world to understand that the Forum had achieved a final version of the Protocol and that the Statement of Conclusion was a punctuation point to that process. A priority was to finish Phase I by finalising the Statement of Conclusion. It was also identified as important to develop a common understanding of Phase II and the longer term use of the Protocol.</p> <p>Some Forum members noted that there was a concern around writing Letters of Support without having a clear understanding of what the T&amp;C would be for Protocol use.</p> <p>A package of actions to close Phase I was agreed and are set out in the agreements below.</p> <p><i>Agreement 1: That aside from a date change, typographical errors and some minor language changes (changing the word 'endorse' to 'support' as it refers to Letters of Support), the Protocol itself is closed.</i></p> <p><i>Agreement 2: That in their Letters of Support, Forum members may express opinions as to the content or use of the Protocol.</i></p> <p><i>Agreement 3: That the desired timeframe (at the request of IHA) for Forum members to provide Letters of Support is as soon as possible, with an indication (either verbal or written) of the likelihood of this occurring to IHA to coincide with the circulation of the draft T&amp;C by IHA.</i></p> <p><i>Agreement 4: That non-Forum members are also encouraged to send Letters of Support.</i></p> <p><i>Agreement 5: That a final draft version of the Statement of Conclusion would be mailed to all Forum members by 5 November 2010. This would initiate a two week period for comment (deadline 19 November 2010). Depending on these comments, Forum members will send electronic versions of their signatures (solely for use for this purpose) to IHA. The final version will then be posted on IHA's website.</i></p> <p><b>Action 1: IHA will send the final draft version of the Statement of Conclusion to all Forum members by 05 November 2010.</b></p> <p><b>Action 2: Forum members will send electronic versions of their signatures (solely for use for this purpose) to IHA in order to have same affixed to the Statement of Conclusion.</b></p> <p><b>Action 3: IHA will create a final version of the Statement of Conclusion and post it to the IHA website as soon as practicable.</b></p> <p><b>Action 4: IHA will send the final, dated version of the Protocol to all Forum members and post it on the IHA website as soon as practicable.</b></p>		

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<b>3. Objectives for Phase II</b>			
3.1 Identification of objectives	<p>Forum members discussed where they wanted to see the Protocol in the short (18 months), medium (3 years) and longer term. The workshop was presented with a list of five potential objectives:</p> <ul style="list-style-type: none"> <li>- Purpose of the Protocol is to improve hydropower sustainability – actual difference, impact on reality.</li> <li>- Protocol is widely recognised and used as the key tool that guides the development and operation of sustainable hydropower.</li> <li>- Create the brand “Sustainable Hydropower” as an incentive for hydropower organisations to engage.</li> <li>- Create an effective and credible quality system to ensure integrity of Protocol content and use.</li> <li>- Develop a quality system that is self-financing over the medium and long term.</li> </ul> <p>Additional objectives identified by Forum members were that it is to be seen as ‘the’ policy framework for guiding discussions on hydropower, and that it was critical to incentivise Protocol use by industry. There was a substantial debate regarding incentivising versus controlling Protocol use, and the subsequent implications for quality control under either scenario. Incentivising Protocol use was strongly supported - both as a tool for official assessments of hydropower projects/facilities, and as a key instrument for guiding policy and other debates regarding hydropower.</p>		
3.2 Protocol use	<p>A relationship between rules of use (widely versus restricted use) and quality control (low versus high) was identified (the more prescriptive the rules around Protocol assessments e.g. only using accredited assessors, the more likely the final Protocol assessment report is to be of a high standard , but could also lead to a very restricted use of the Protocol ). However, Forum members emphasised the need to find a widely acceptable balance between the free availability of the Protocol (i.e. as a tool to guide policy discussion) and quality of application (i.e. the ability to make statements about the quality of the assessment process).</p> <p>This led to a substantial discussion around the notion of formal and informal use of the Protocol now refers to official and unofficial publications of Protocol results, which is further elaborated under Agenda Items 5 and 6. Forum members also mapped out the various users and uses of the Protocol:</p> <ul style="list-style-type: none"> <li>- Industry: the primary user of the Protocol.</li> <li>- Civil society: to inform and structure dialogue.</li> <li>- Financial institutions and Governments: to assist in decision-making.</li> </ul>		
<b>4. Implementation models</b>			
4.1 Presentation from Matthew Wenban-Smith (Director, One World Standards)	<p>Two presentations were given to the Forum by invited parties. The first, from Matthew Wenban-Smith (Director, One World Standards) (Annex 1), looked at elements and options for quality control. A key discussion point was the relationship between quality control and claims (i.e. statements relating to the process and result) subsequently able to be made about an assessment. Wenban-Smith argued that the more riding on a particular claim, the more important it is to have high quality standards relating to the ability to make that claim. The notion of claims was discussed in detail by Forum members, with a particular emphasis on the idea that quality was to be seen as a means to an end (more sustainable hydropower). Wenban-Smith suggested that formal use with strongly defensible claims is seen as more desirable when larger users are involved, with more acceptance of informal use by smaller parties.</p> <p>Wenban-Smith contended that threshold claims (i.e. that a project has reached a certain standard) must be more tightly controlled, particularly when they are related to brands and third-party verification systems. This was widely debated, particularly in relation to how claims would be made about whether particular projects had favourable or unfavourable sustainability</p>		

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	<p>profiles and the necessary degree of independence of these claims. Wenban-Smith argued that an optimal quality system is one which best reflects the values and objectives users want to achieve from the system in question and delivers them at the level desired. There was general support for the idea that the Protocol would, in time, aim to support a standard, but that incentivising its use in the interim will involve implementing a scorecard/profile system of reporting.</p> <p><i>Agreement 6: That the report from Matthew Wenban-Smith would be made available on the Forum website, marked as a contribution received from the NGO members of the Forum.</i></p> <p><b>Action 5: IHA will upload the report from Matthew Wenban-Smith, marked as a contribution received from the NGO members of the Forum, onto the Forum website by the end of January 2011.</b></p>
<p>4.2 Presentation from Patrick Mallet (Credibility Director, ISEAL Alliance)</p>	<p>The second presentation was from Patrick Mallet (Credibility Director, ISEAL Alliance) who discussed how quality assurance/standards systems operate and presented three core principles for standards systems:</p> <ul style="list-style-type: none"> <li>- Stakeholder buy-in: there is as much need for rigour and oversight in the application of a standard as in its development phase. It is important that the governance structure implemented creates an enduring relationship with key stakeholders;</li> <li>- Efficient/effective business systems: multi-stakeholder governance can get in the way of running a viable business and it may be more practicable to implement a structure which clearly distinguishes between system governance and financial management; and,</li> <li>- Transparency and openness: stakeholders need to know how to engage in the process.</li> </ul> <p>Mallet argued that it was vital to know who would be responsible for developing guidance and certification for the Protocol, and that assessing the quality of Protocol delivery would be as important as assessing the content of the Protocol over time. He contended that it is important to have a governance model which is robust enough to gain the confidence of stakeholders; and that the more divergent the views of stakeholders, the more formal the governance model needs to be.</p> <p>Mallet also discussed the need to deal appropriately with both management and governance roles in an implementation structure.</p> <p>The discussion with Forum members subsequent to Mallet’s presentation returned to issues of claims. Mallet said that only when someone wants to make a claim about their performance does there need to be a rigorous quality system with associated oversight mechanisms. He recommended developing a training programme for anyone who wants an accurate interpretation of the Protocol, not just for official accreditation purposes.</p> <p>Forum members also discussed misrepresentation and how that related to claims. Mallet replied that ensuring consistency of claims was likely to be a more important issue than deliberate misrepresentation, i.e. different interpretations about what is meant by good practice on each Protocol element.</p>
<p>4.3 IHA governance proposal</p>	<p>Subsequent to this discussion, IHA presented a proposal for a governance framework for Protocol implementation. A presentation was put forward by IHA and refined during the workshop to capture comments from participants (Annex 2).</p> <p>Key discussion points were the relationship between the proposed governance entity, management entity, and consultative body, and between these entities and the IHA Board. Forum members were interested to understand the hierarchy of relationships in the proposed framework and how membership of each would be structured. Mallet explained that multi-stakeholder organisations can be cumbersome and that more standards systems have appointed external governance boards rather than self-selected bodies. However, it is important to determine the type of framework that will be acceptable to stakeholders and which will give them confidence in the Protocol.</p>

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	<p>Forum members emphasised the need for a practical, workable model which allows for good, multi-stakeholder input. The capability of the members of the governance entity was recognised as an important input to the overall quality of the implementation system and the level of Protocol uptake. Mallet and Wenban-Smith advocated the use of transparency in the assessment process (including the disclosure of results) to ensure that stakeholders' views are heard, even if they are not participating directly in a formal governance structure.</p> <p>The Forum discussed the most suitable framework to promote Protocol uptake and the associated implications for intellectual property protection, promotion of policy dialogue, accreditation requirements, branding, and communications.</p> <p>The role of IHA as host of the management entity and its relationship with the governance entity was strongly debated. It was acknowledged that for the initial three year period, the IHA's proposed structure would be the most feasible option. Alternative options, such as an independent structure, were left for reconsideration at an appropriate time in medium term.</p> <p>It was agreed that the model proposed by IHA would form the basis of the structure for Protocol implementation. All Forum members, as well as any other interested parties, would be invited to participate in an interim governance process to fully define the structures around Protocol implementation, with a timeframe for delivery of the outcomes at the IHA World Congress in June 2011. This process would consider development of the details of the governance and consultative structures, including appropriate constitutional arrangements, as well as the arrangements between these structures and the IHA hosted management entity and the specification on the terms and condition for use of the protocol.</p> <p><i>Agreement 7: That a Protocol implementation process would be coordinated by IHA. Members previously involved in the Forum will be invited to participate in an interim governance entity to oversee this process by 15 January 2011.</i></p> <p><i>Agreement 8: That should Forum members be unable to participate in this interim governance entity they can nominate an alternate.</i></p> <p><i>Agreement 9: The Protocol implementation process will be based on the governance and consultative entity structure proposed by IHA and revised by the interim governance entity.</i></p> <p><i>Agreement 10: That the interim Protocol governance entity will finalise the appropriate governance structure and mechanisms, including constitutional arrangements and the inter-relationships with the management entity.</i></p> <p><i>Agreement 11: That the timeframe for delivery of the outcome of this process is by the IHA World Congress in June 2011.</i></p> <p><i>Agreement 12: That IHA would circulate a proposed schedule for completion of the tasks described in Agreements 9 and 10 as soon as it has received indication of participation in this process.</i></p> <p><b>Action 6: IHA will invite all Forum members (and other nominees) to participate in the interim Protocol governance entity, and subsequently convene the first meeting of this entity.</b></p> <p><b>Action 7: IHA will circulate for discussion the schedule as per Agreement 12.</b></p>
4.4 Financing mechanisms	<p>It was recognised that the Protocol and associated systems will need to become self-financing. A substantive topic of discussion was financing mechanisms and the appropriateness of different fee generation options. The main areas of debate were when fees would be payable. There was also discussion on the payment of fees by assessors for accreditation and how to balance fee generation with incentivising large numbers of people to complete accreditation. The relationship between formal use of the Protocol (generally understood by Forum members as a Protocol assessment against which claims are able to be made) and informal use and the fees required of either was extensively discussed. The conclusions gained on these different uses are outlined in Agenda Item 6.</p>

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<b>5. Phone-in by absent Forum members / Discussion on use</b>			
5.1 Phone-in / Discussion	<p>On the morning of 4 November, Forum members split to carry out two different activities. One half of the workshop phoned absent Forum members Donal O’Leary and Michael Simon to provide a summary of the events of the previous day and to receive their feedback on the proposed governance structure for Protocol implementation. The other half of the workshop met to discuss the formal/informal Protocol designation.</p> <p>The results of both of the above were reported back to the fully convened workshop and used as a basis for subsequent discussion for Agenda Item 6.</p>		
<b>6. Terms and conditions (T&amp;C) and use of the Protocol</b>			
6.1 Discussion	<p>Following on from discussions under previous agenda items, a substantive discussion was held around training in use of the Protocol, with general agreement that it will be vital to incentivise assessors to complete an accreditation process. The aim will be to create a substantial pool of accredited assessors as soon as practicable and thereby contribute towards quality control over Protocol claims (i.e. statements relating to the process and result). It was agreed that the authorisation of Protocol assessors would comprise a formal process of training and accreditation. IHA will coordinate training and accreditation of assessors under the direction of the interim governance entity. Training and capacity building which is not intended to lead towards accreditation will also be coordinated by IHA under the direction of the interim governance entity.</p> <p>Some Forum members argued that there was a clear need to establish a system for Protocol use against which claims (i.e. statements relating to the process and result) could be made (requiring elements such as participation from the organisation(s) responsible for the hydropower project/facility, accredited assessors and a transparent consultation period for the final report) as well as the need to create the space for a more widely accessible structure for Protocol use.</p> <p>Disclosure and regulation of different types of Protocol use were substantive points of debate. In particular, the relationship between an official or unofficial assessment and subsequent implications for revenue streams, transparency, claims able to be made, accurate interpretation (and avoidance of misrepresentation), quality assurance, and opportunities for feedback for learning and development were discussed. Encouraging the disclosure of Protocol assessment outcomes was discussed.</p> <p><i>Agreement 13: That the Forum workshop minutes are to include a copy of the WWF ‘Must Be’ Principles for Setting and Implementing Credible Standards for Sustainability (Annex 3).</i></p> <p><b>Action 8: IHA will include a copy of the WWF ‘Must Be’ Principles for Setting and Implementing Credible Standards for Sustainability with the Forum workshop minutes (Annex 3).</b></p>		
6.2 Principles for T&C	<p>It was recognised that regulation of claims made regarding a Protocol assessment may be a key differentiating factor between official or unofficial use of the Protocol. It will remain vital to encourage its use as a tool to guide policy, promote dialogue and support continuous improvement around sustainability in the hydro sector. It was agreed that the means of differentiating between official and unofficial Protocol use would form the basis for the T&amp;C referred to in the Background document, and that the guiding principles would be as follows:</p> <ul style="list-style-type: none"> <li>- The Protocol will be freely available as a tool for dialogue and for unofficial use.</li> <li>- The right to protect intellectual property in the Protocol is recognised as important.</li> <li>- Accreditation of assessors is to be strongly encouraged and made as accessible as possible.</li> <li>- Official assessments will need to follow the procedure outlined in Annex 4. This procedure, to be further refined by the interim governance entity, includes the requirement to use accredited assessors and for the assessment to be published (including a review process).</li> </ul>		

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	<ul style="list-style-type: none"> <li>○ These assessments will be eligible to make official and recognised statements or claims about the assessment of the project.</li> <li>○ Having followed a formal procedure, the assessment result will be eligible to receive an official sustainability profile resulting from the Protocol assessment. The Forum discussed the possibility of a certain level of performance evolving into a standard in the future, but recognised that this would not form part of the objectives for the Protocol in the medium term.</li> </ul> <p>- Protocol assessments which do not follow the procedure as outlined above will amount to ‘unofficial’ assessments. The basis on which an unofficial assessment could be conducted will be included in the T&amp;C, including for example:</p> <ul style="list-style-type: none"> <li>○ In general free availability of the protocol without involving an accredited assessor, i.e. as a tool to guide policy discussions</li> <li>○ That the engagement of the principal organisation(s) responsible for the project/facility should be sought prior to conducting an assessment.</li> <li>○ That the assessment will apply the content of the Protocol in both form and substance.</li> <li>○ That any such assessment can be published, but needs to contain an appropriate disclaimer clearly indicating that it is an unofficial assessment, and the reasons why it cannot be regarded as such.</li> </ul> <p>It was agreed that the basis for these T&amp;C would be prepared in draft form by IHA for circulation to the interim governance entity for their refinement, expanding on the items above and setting out proposals for the balance of the T&amp;C.</p> <p>Protocol assessments which misrepresent process or results will be regarded as breaching intellectual property.</p> <p>It was agreed that, in the event that the Background document language contradicts the T&amp;C, the T&amp;C will take precedence.</p> <p><i>Agreement 14: That advocating for a quality system approach to the application of the Protocol and incentivising the accreditation of assessors will be fundamental to the success of the Protocol, and that these tenets would guide the development of the Protocol.</i></p> <p><i>Agreement 15: That the accreditation of Protocol assessors will comprise a formal process of training and accreditation.</i></p> <p><i>Agreement 16: That no ‘hybrid use’ or ‘local versions’ of the Protocol are to be allowed without prior approval by IHA.</i></p> <p><i>Agreement 17: That the means of differentiating between official and unofficial use would form the basis for the T&amp;C referred to in the Background document, and that the guiding principles would be as outlined in Section 6.2 of the minutes of this workshop.</i></p> <p><i>Agreement 18: That, in the event that the Background document language contradicts the T&amp;C, the T&amp;C will take precedence.</i></p> <p><i>Agreement 19: That IHA will prepare a draft version of the T&amp;C for circulation to Forum members for their refinement by end January 2011.</i></p> <p><i>Agreement 20: The Protocol will be freely available without involving an accredited assessor as a tool for dialogue and for unofficial use including disclosure of results indicating that this is an unofficial use of the protocol.</i></p> <p><b>Action 9: IHA will circulate a draft version of the T&amp;C to Forum members by end January 2011 for their refinement.</b></p>

**Agenda item****Minutes / Agreements / Action Points****7. Summary of Agreements**

## 7.1 Summary of Agreements

- Agreement 1: That aside from a date change, typographical errors and some minor language changes (changing the word 'endorse' to 'support' as it refers to Letters of Support), the Protocol itself is closed.*
- Agreement 2: That in their Letters of Support, Forum members may express opinions as to the content or use of the Protocol.*
- Agreement 3: That the desired timeframe (at the request of IHA) for Forum members to provide Letters of Support is as soon as possible, with an indication (either verbal or written) of the likelihood of this occurring to IHA to coincide with the circulation of the draft T&C by IHA.*
- Agreement 4: That non-Forum members are also encouraged to send Letters of Support.*
- Agreement 5: That a final draft version of the Statement of Conclusion would be mailed to all Forum members by 5 November 2010. This would initiate a two week period for comment (deadline 19 November 2010). Depending on these comments, Forum members will send electronic versions of their signatures (solely for use for this purpose) to IHA. The final version will then be posted on IHA's website.*
- Agreement 6: That the report from Matthew Wenban-Smith would be made available on the Forum website, marked as a contribution received from the NGO members of the Forum.*
- Agreement 7: That a Protocol implementation process would be coordinated by IHA. Members previously involved in the Forum will be invited to participate in an interim governance entity to oversee this process by 15 January 2011.*
- Agreement 8: That should Forum members be unable to participate in this interim governance entity they can nominate an alternate.*
- Agreement 9: The Protocol implementation process will be based on the governance and consultative entity structure proposed by IHA and revised by the interim governance entity.*
- Agreement 10: That the interim Protocol governance entity will finalise the appropriate governance structure and mechanisms, including constitutional arrangements and the inter-relationships with the management entity.*
- Agreement 11: That the timeframe for delivery of the outcome of this process is by the IHA World Congress in June 2011.*
- Agreement 12: That IHA would circulate a proposed schedule for completion of the tasks described in Agreements 9 and 10 as soon as it has received indication of participation in this process.*
- Agreement 13: That the Forum workshop minutes are to include a copy of the WWF 'Must Be' Principles for Setting and Implementing Credible Standards for Sustainability (Annex 3).*
- Agreement 14: That advocating for a quality system approach to the application of the Protocol and incentivising the accreditation of assessors will be fundamental to the success of the Protocol, and that these tenets would guide the development of the Protocol.*
- Agreement 15: That the accreditation of Protocol assessors will comprise a formal process of training and accreditation.*
- Agreement 16: That no 'hybrid use' or 'local versions' of the Protocol are to be allowed.*
- Agreement 17: That the means of differentiating between official and unofficial use would form the basis for the T&C referred to in the Background document, and that the guiding principles would be as outlined in Section 6.2 of the minutes of this workshop.*
- Agreement 18: That, in the event that the Background document language contradicts the T&C, the T&C will take precedence.*
- Agreement 19: That IHA will prepare a draft version of the T&C for circulation to Forum members for their refinement by end January 2011.*
- Agreement 20: The Protocol will be freely available as a tool for dialogue and for unofficial use.*

**8. Summary of Actions**

8.1 Summary of Actions

- Action 1: IHA will send the final draft version of the Statement of Conclusion to all Forum members by 05 November 2010.**
- Action 2: Forum members will send electronic versions of their signatures (solely for use for this purpose) to IHA in order to have same affixed to the Statement of Conclusion.**
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