

From: Philip Smith
Sent: 09 December 2009 10:56
To: IHA Members
Cc: IHA Central Office
Subject: Communication to all IHA members from the Chair of the IHA Reference Group

Importance: High

Dear IHA Members,

Please find below a communication sent on behalf of Mr. Jon Ulrik Haaheim, chair of the IHA Reference Group, relating to the importance of participating in the e-survey on the draft Hydropower Sustainability Assessment Protocol developed by the Hydropower Sustainability Assessment Forum. The closing date for completing the survey is **Friday 11th of December.**

Communication from Mr. Jon Ulrik Haaheim:

As the chair of the IHA Reference Group, I would like to attract your attention to the importance of participating in the e-survey on the draft hydropower sustainability assessment protocol developed by the Hydropower Sustainability Assessment Forum. The e-survey will close on Friday 11th of December and I strongly recommend that you take the time to answer the survey as the Industry has to speak out with a strong voice. You will find the survey at the following Web address: http://www.surveymonkey.com/s.aspx?sm=uo6B13wiV4zQMHWn8pS3ew_3d_3d or go to http://www.hydropower.org/sustainable_hydropower/HSAF.html

The members of the Reference Group have performed several trials and the main conclusions from the trails and the assessment of the protocol are the following:

- The industry welcomes the initiative to establish a sustainability assessment protocol for hydropower and the present draft covers all the relevant aspects in hydropower development.
- Major condensation and simplification is required, before the protocol will become an acceptable tool for the industry
- The evaluation of existing assets can not be done the same way than recently commissioned ones
- Many scores of 4 and 5 are not representing international best practice (e.g. indigenous people - FPIC)
- Sections I, III and IV need to be restructured in order to reflect present business practice.
- A proponent cannot be measured on issues which go far beyond his or her responsibilities (e.g. catchment management)
- The protocol shall be formulated in order to measure the performance of a project proponent and not the one of a government.

Regarding the questions in the survey, the Reference Group has identified the following key concerns:

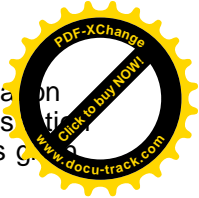
Question 1-4 characterization of respondent

Question 5 Practicability

- Reduce the number of aspects as well as attributes and avoid sub-attributes
- Tailor consultation requirements and stakeholder support to only those aspects that are relevant
- Specify how to measure consent, stakeholder support and human right issues
- Simplify the wording in the draft to facilitate translation and understanding

Question 6 Content

- Although there needs to be coherence in the assessment approach, the four different protocol sections are addressing 4 very different situations. We strongly recommend that this is reflected in the rating criteria of the protocol. In this perspective, we believe section I should only be a simple YES/NO checklist with considerations about management options for identified risks, as at this very early stage information regarding specific projects are not yet available and these type of investigations are often of confidential



commercial nature. Section II is the protocol part which requires the most assessment and consultation efforts. In consequence the scoring criteria used should reflect this reality. Compared to section 2, sections 3 and 4 are used in the framework of governmental approval and legally binding operating conditions through a concession. Therefore, the focus of section 3 and 4 should be much more on monitoring compliance and adaptive management.

- The protocol should not be prescriptive with respect to means and methods but be goal and outcome orientated.

Section II

- Reduce the number of aspects and attributes
- Develop aspect specific indicators instead of systematic process and performance attributes focusing on assessment and understanding of the aspect and the proposed plan to meet the challenges
- Include Stakeholder support only for 3 crucial social aspects (resettlement, affected communities, indigenous people)
- GHG issue cannot be dealt with in the proposed manner
- Environmental flow should cover all parts of flow requirements and be named flow regime
- Financial records beyond legal requirements should not be disclosed

Section III

- Reduction in aspects and attributes and a tailor-made approach to attributes/indicators
- In construction phase, focus should be on compliance, conformance and on effective and adaptive management.
- Consultation and stakeholder support is not relevant for all aspects
- GHG issue cannot be dealt with in the proposed manner.
- Environmental flow should cover all parts of flow requirements and be named flow regime.

Section IV

- The section should better reflect the reality of operating a hydropower project within a legally binding governmental authorization (concession/license). An international standard should not challenge existing regulation, which is reflecting a nation's social consensus on how to address various issues.
- Existing hydropower plants developed under an other legislation and with limited availability of baseline information cannot be measured in the same way as newly commissioned plants.
- Focus in this section should be on conformance and compliance with laws, regulation and license.
- Furthermore similar comments as for section II and III regarding complexity, GHG, e-flow etc.

Question 7: Implementation Guidance

- Need to clarify if the guidance notes are having an educational purpose or are meant to be an auditing tool.
- Guidance notes should not include issues that are beyond the responsibility of the proponent.

Question 8: Scoring

- The assessment principle for sections II, III and IV to use 5 scores seems appropriate.
- Implement aspect-specific and performance oriented indicators.
- Score of 5 must be documented best practice and be achievable in various project contexts.

Question 9: Presentation of Results

- Not the most pressing issue in light of the stressed needs for major modifications.

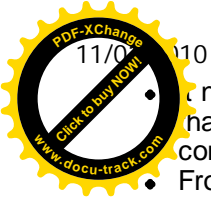
Question 10: Ease of use

- Sub-attributes or sub-indicators should be avoided.
- Simplification of language is needed.
- Redundancy in aspects and attributes should be avoided.

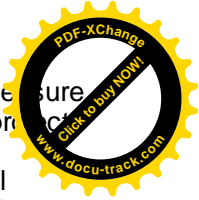
Question 11: Basic Good Practice

- It needs to be established what is basic good practice for each aspect in a reference document with the help of examples

Question 12: Proven Best Practice



Communication to all IHA members fr...



- 11/01 2010
- It needs to be established what is proven best practice for each aspect in a reference document to ensure that what is used to assess proven best practice is achievable in all socio-political and ecological project contexts. Examples should be provided from different continents.
 - From assessing different project with or without external auditors, we believe that a score of 5 on all aspects would be impossible to obtain. Best practice if measured as an aggregate score should reflect that.

If your evaluation of the draft protocol has led to similar conclusions than those made by the IHA Reference Group, please feel free to use the above outlined comments.

The Forum will start to work on a revised draft in February 2010 and we highly appreciate further comments from you regarding the present draft.

Comments may be sent to karin.seelos@statkraft.com or jon.ulrik.haaheim@statkraft.com

With regards

Jon Ulrik Haaheim

Senior Vice President Power Generation

DIREKTE +47 24 06 71 92

MOBIL +47 95 20 70 01

SENTRALBORD +47 24 06 70 00

Statkraft Energi AS

Lilleakerveien 6, Postboks 200 Lilleaker, 0216 Oslo

www.statkraft.no