

Issues Considered in this Paper

1. Update of March 2009 diagram (Figure 1 in minutes)
2. Definition of proven best practice
3. Action for response to issues in Consultation Outcomes Report
4. Relationship between Protocol and national requirements
5. Scoring of non-relevant aspects
6. Presentation of results
7. Follow up to Forum Meeting 9

1. Update of March 2009 diagram (Figure 1 in minutes)

Text from minutes of Forum Meeting 8 (draft 2):

Given a better understanding of IHA’s vision and potential commitments for the Protocol, the Forum members revisited the Forum aim. It first looked at a slide developed in its March 2009 meeting, developed during a process review which had revealed a diversity of expectations and ambitions amongst the Forum members for the Forum process and outcomes:

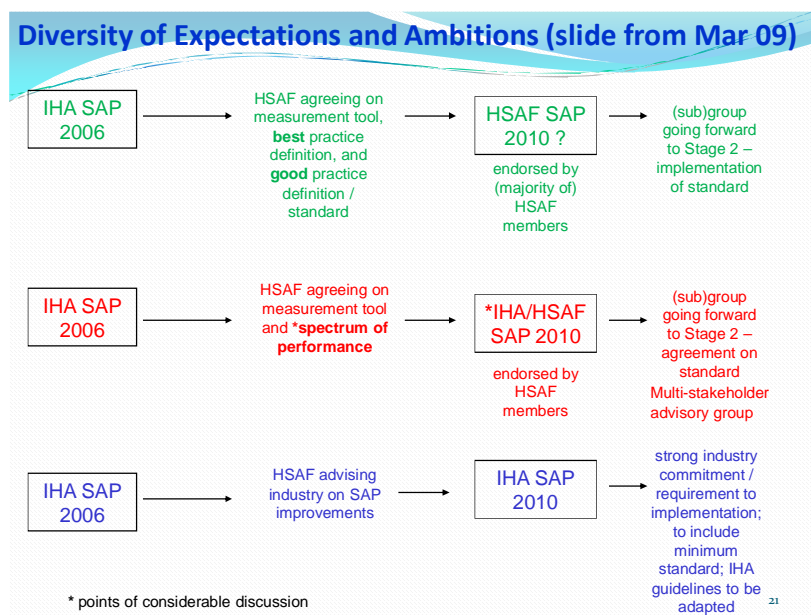


Figure 1: Diversity of Forum Member Expectations and Ambitions (slide from March 2009)

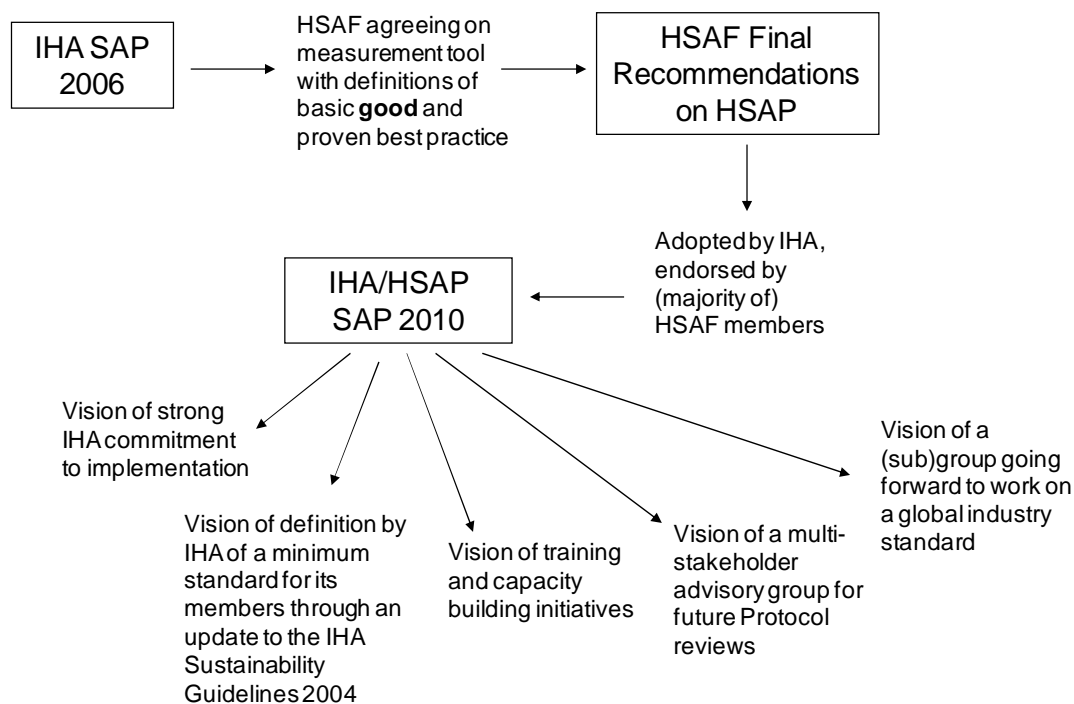
The Forum members thought that out of the recent discussions a unifying ambition was neither of the three horizontal scenarios shown in the March 2009 slide, but in fact could be a hybrid. Some of the elements proposed (but not agreed) that could be in a hybrid include:

- HSAF agreement on a measurement tool that defines basic good and proven best practice;
- An IHA/HSAF SAP 2010 formally adopted by IHA and endorsed by a majority of Forum member organizations;
- Follow up including:
 - strong IHA commitment to implementation;

- o definition by IHA of a minimum standard for its members through an update to the IHA Sustainability Guidelines 2004;
- o some sort of multi-stakeholder advisory group for future Protocol reviews; and
- o some sort of follow on work perhaps by a sub-set of Forum members working towards a hydropower industry standard.

Mtg 8 Action 3: *The Forum Coordinator to ensure opportunities in the forward work plan for Forum members to clarify a unified view on Forum member expectations and ambitions for its work, expressed in a variation to Figure 1 in the Minutes to Forum Meeting 8.*

Proposed variation to Figure 1:



2. Definition of proven best practice

Text from Meeting 8 minutes (draft 2):

The Forum discussed whether a 5 is just about hydropower, or about sustainability in a broader context across industries. The proposed definition for 5 is proven best practice on a particular sustainability issue that is demonstrable in multiple country contexts, but it was not agreed whether this was to be demonstrable in hydropower and/or relevant industries.

Mtg 8 Action 9: *The Forum Coordinator to ensure the opportunity in the forward work plan for Forum members to resolve the definition of proven best practice.*

Forum members should note Clause 2 of the Memorandum of Understanding:

2. The Forum will also investigate mechanisms and incentives that would encourage good sustainability performance and give recognition to better practice. Input for this work will include reference to experience from previous processes relating to hydropower and dams, and the development of standards in other industry sectors.

Proposal: Forum members agree on one of two options:

Option 1: A score of 5 is an expression of proven best practice on a particular sustainability issues, demonstrable in multiple country contexts within the hydropower industry.

Option 2: A score of 5 is an expression of proven best practice on a particular sustainability issues, demonstrable in multiple country contexts within the hydropower and other comparable industries.

3. Action for response to issues in Consultation Outcomes Report

Text from Meeting 8 minutes (draft 2):

The Forum felt that a formal response to Consultation Outcomes Report was not an immediate priority, but should be done to be provided with the Meeting 9 papers so that the Forum can show how issues were addressed in the Final Draft.

Mtg 8 Action 16: The Forum Coordinator to ensure the opportunity in the forward work plan for Forum members to discuss the remaining and unresolved issues raised in the consultation and trialling, and agreement on Forum responses.

Proposal: Forum members agree to an action for the Forum Coordinator to draft responses to the consultation issues and circulate for Forum member review.

4. Relationship between Protocol and national requirements

Text from Meeting 8 minutes (draft 2):

Issue d – Conflicts with / duplicates other standards, regulation and evaluation processes.

The duplication with existing standards and evaluation processes was considered by Forum members as essential, and that consistency is an important consideration; however conflict amongst standards and evaluation processes is to be avoided. The Equator Banks advised that their interest in being on the Forum was to bring to the Forum's attention what is in the IFC Performance Standards and to seek consistency. It was noted that this comment may reflect a feeling by some projects that they are subject to too many assessments.

The Forum discussed what to do in the situation where a regulatory requirement or process is inconsistent with what the Protocol identifies as basic good practice. Forum members were not comfortable with basic good practice deferring to local law if local law has deficiencies; however neither were they comfortable with a Protocol that might be seen to be criticizing national policies. It was noted that in cases where, for example, local law sets out the compensation measures then it can be a problem for a proponent to go beyond this. The Bank representatives advised that IFIs set requirements according to safeguards or performance criteria, that may or may not equal to national legislation, which must be met in order to qualify for financing.

Mtg 8 Agreement 4: *The Forum members agreed that clear guidance needs to be given to the assessor on how to deal with national requirements that may differ from expectations set out in the Protocol.*

Mtg 8 Action 2: *The Forum Coordinator to ensure opportunities in the forward work plan for Forum members to further discuss the relationship between Protocol requirements and national requirements.*

Issue 6b – *Confusion about how basic good practice corresponds to national laws and regulations.*

The Forum discussed that compliance is a 3, in that it is basic good practice to be compliant with the law. However this was not completely reconciled with earlier discussions about how the protocol aligns with national requirements, and will need further discussion. See Mtg 8 Agreement 4 and Action 2.

Proposal: No clear proposal, need some proposals brought forward by Forum members at Webinar 3.

5. Scoring of non-relevant aspects

Text from Meeting 8 minutes (draft 2):

Issue 4j – *Unclear how to score non-relevant aspects.*

Options for scoring of non-relevant topics and criteria were seen to be either to remove them, or to give them a 5. The merits of giving a 5 would be to recognise positive avoidance of a negative sustainability outcome. One approach proposed was to give a 5 if there was evidence of active avoidance (e.g. siting changed to avoid impacting on indigenous peoples), but to remove from giving a score if it is clearly not relevant (e.g. no indigenous peoples in the region in which the project is being considered). It was felt that this is an issue of presentation and communication of the outcomes of the assessment. One idea was to present as an inverted spidergram with the 5 in the centre and 1 on the outside; then if there was a not relevant topic it would not show a bar just the same as if a 5 score were given.

Mtg 8 Action 8: *The Forum Coordinator to ensure opportunities in the forward work plan for Forum members to further discuss scoring of non-relevant topics.*

Proposal: The Forum Coordinator present a proposal to the Forum to be discussed at Webinar 4.

6. Presentation of results

Text from Meeting 8 minutes (draft 2):

PRESENTATION OF RESULTS

Issue 5a – *Content of auditor report should include recommendations for improvement.*

The Forum members noted that a typical audit report would identify gaps and opportunities for improvement, but would not make recommendations to management. The Forum did not have time to discuss its expectations for the contents of the Protocol assessment reports.

Issue 5b – Suggestions for improving the presentation of results.

The Forum members expressed some support for a spidergram presentation format of results, with some discussion of whether this could be inverted with the 5 being in the centre and the 1 being on the outside.

Issue 5d – Need consistent methodology for reporting results.

The Forum members agreed that a consistent methodology for reporting results is required.

Mtg 8 Action 10: *The Forum Coordinator to ensure the opportunity in the forward work plan for Forum members to further discuss presentation of results.*

Proposal: The Forum Coordinator present a proposal to the Forum to be discussed at Webinar 4.

7. Follow up to Forum Meeting 9

Text from Meeting 8 minutes (draft 2):

The purpose of this agenda item was to discuss the way forward following completion of the Forum's work. Due to time constraints, this was unable to be discussed at Forum Meeting 8.

Mtg 8 Action 21: *The Forum Coordinator to ensure the opportunity in the forward work plan for Forum members to discuss follow up to Forum Meeting 9.*

Proposal: The Forum Coordinator ensure this is on the agenda to be discussed at Webinar 4.