

## Protocol Governance Committee Meeting #17– 18/12/2017 Minutes

### In attendance

Name	Organization	Chamber
<b>PGC Members</b>		
<b>Rikard Liden (Chair)</b>	World Bank	Development, Public or Commercial banks
Ken Adams	IHA	Hydropower Operators and Developers
Daniel Menebhi	SECO	Advanced Economy Countries
Jian hua Meng	WWF	Environment or Conservation Organizations.
Lesha Witmer	Women for Water Partnership	Social Impacts, Project Affected Communities
<b>Alternates</b>		
Gabriel Todt de Azevedo	Inter-American Investment Corporation	Development, Public or Commercial banks
Dan Marlone	Ugandan Hydropower Association Ltd	Hydropower Operators and Developers
Jürgen Schuol	Voith	Hydropower Consultants, Contractors or Equipment Suppliers.
<b>Management Entity (IHA)</b>		
Frank Faraday		
Richard Taylor		
Joao Costa		

### Apologies

Name	Organization	Chamber
Geir Yngve Hermansen	Norad	Advanced Economy Countries
Roger Gill (Vice-Chair)	Hydro Focus	Hydropower Consultants, Contractors or Equipment Suppliers.

**HYDROPOWER SUSTAINABILITY ASSESSMENT PROTOCOL**  
**GOVERNANCE COMMITTEE MEETING #17**  
**December 18<sup>th</sup> 2017 – 14h00-17h00 (UTC)**

Audio Call

**AGENDA**

Chair: Rikard Liden

No (In order of priority)	AGENDA ITEM	PAPER
1	<b>Introductions and Welcome from the Chair</b>	<b>PGC 17.1:</b> Minutes from meeting on 28/11/2017 (approved)
2	<b>Adoption of Agenda</b>	<b>PGC 17.2:</b> Draft Agenda
3	<p><b>Climate Change Topic and ESG Gap Analysis Tool</b></p> <ul style="list-style-type: none"> <li>• Revised draft ESG Gap Analysis tool in the preparation stage</li> <li>• Draft new Climate Change Mitigation and Resilience Protocol topic also for the preparation stage.</li> </ul> <p>Decision and agreement on amendments to final version.</p>	<p><b>Revised Draft</b></p> <p><b>For Reference: Sent by ME on 11/12/2017</b></p> <p>Revised draft ESG Gap Analysis tool in the preparation stage</p> <p>Draft new Climate Change Mitigation and Resilience Protocol topic also for the preparation stage.</p> <p>Management Entity Briefing Note on changes made to drafts following PGC #16 on 28/11/2017.</p>
4	<p><b>Future accreditation and licencing system for ESG Tool</b></p> <p>Discussion and agreement on basic principles of accreditation regime for Protocol and ESG Tool.</p>	<b>PGC 17.3:</b> Concept Document from ME – Update to September briefing document.

5	<p><b>Update on Good International Industry Practice Guidelines</b></p> <p>Decision on preferred template. Timeline for further development</p>	<p><b>PGC 17.4:</b> Example Guideline in recommended template.</p>
6	<p><b>Update on ME activities</b></p>	<p><b>Verbal Report</b></p>
7	<p><b>Update on Accredited Assessor Activities</b></p>	<p><b>Verbal Report</b></p>
8	<p><b>Any Other Business</b></p>	
9	<p><b>Next Meeting – PGC #18</b></p> <p>Proposed date: 07/02/2018 face-to-face meeting in London to coincide with IHA Board</p>	

## Minutes

### 1. Opening Remarks and adoption of the agenda

The Chair opened the meeting and established that the meeting was not quorate as the Social and the Environmental chamber had yet to join the meeting. While waiting for the meeting to gain a sufficient quorum, the Chair proposed dealing with points on the agenda that were not directly related to decision taking. Therefore, points 6, 7 and 8 were dealt with first.

### 2. Update on ME activities

ME gave a brief update on activities within the Management Entity. He mentioned that the bulk of current activity concerned the development of the derivative products that were the subject of today's meeting.

### 3. Update on Protocol assessment activity

ME gave a brief verbal report on the activity of the accredited assessors. After a hiatus following the departure of a member from the Management Entity, there are once again regular meetings between the accredited assessors and the Management Entity. The previous meeting took place on 23<sup>rd</sup> November. Below is a summary of some of those activities:

- Zambezi programme: Funded by the World Bank. The final workshop is due to be held in January 2018. The project has been extended to allow for a Protocol application to be undertaken at Cahora Bassa in Mozambique.
- Cahora Bassa Protocol Assessment (managed by IHA and financed by the World Bank)– Two assessment teams are currently drafting proposals for this operational stage assessment on the Cahora Bassa HEP (South Bank) in Mozambique run as part of the Zambezi Basin project (see below).
- Early Stage Assessment in Indonesia – assessors and IHA carried out the assessment visit in early December at Pelosika in South-eastern Sulawesi.
- Honduras –Potential for an assessment by external consultants to a private company, which is developing a hydropower project in the country. Construction has already started.
- Protocol Communication in China – assessors are working on raising interest in the Protocol in China through communicating with a number of institutions.

#### 4. Climate Change Topic and ESG Gap Analysis Tool

With the meeting now quorate with the joining of the Social and the Environment chambers, the Chair began the discussion on the revised Climate Change Topic and ESG Gap Analysis Tool following the outcome of the previous meeting. The ME had revised the drafts in line with the comments submitted both in writing and made orally in that meeting. The ME had drafted a briefing note to explain how the drafts had changed in response to the comments received and filtered through the chamber chairs. The discussion opened on the matter of the emissions threshold of 100g CO<sub>2</sub>e per m<sup>2</sup> as part of the climate mitigation decision tree process and whether it could be removed in the outcomes criterion and replaced with language around counterfactual systems emissions. Following the meeting on 28<sup>th</sup> November, the ME received advice from the Climate Bonds Initiative that allowing eligibility for mitigation projects based on their potential for systems emissions reductions would not be accepted. A discussion followed on the need to maintain a threshold in the outcomes criterion for basic good practice with a variety of views expressed both on the necessity of a threshold and the validity of 100g as a threshold given the uncertain state of the science. Other views were expressed in which, in order for the tool not to diverge from the criteria set down by the Climate Bonds Initiative, there could not be a gap between the requirements of the CBI and the ESG Gap Analysis Tool as this would create an additional task for a verifier and would undermine the usefulness of the Tool for the intended market.

**After a lively discussion, the following wording was decided on:**

***For climate mitigation: the power density of the project and, if appropriate, net emissions have been established by an accepted methodology and the fit of the project with national and regional policies and plans for mitigation can be demonstrated.***

#### ESG Gap Analysis Tool

A shorter discussion continued on the ESG Gap Analysis Tool. There were few comments made on the Tool itself with only a clarification from ME that the table showing the predicted time taken to close identified gaps in the ESG tool would no longer be coloured and that the number of gaps would simply be put.

**Decision and Next Steps:** The PGC adopted the Climate Change Topic and the ESG Tool with the change of wording agreed above. The ME will integrate that change into the Tool and will begin the process of editing the document for formatting and ordering of the assessor guidance into the right format for the Protocol. The ME will now share the revised text with the CBI in advance of the meeting on Wednesday.

#### 5. Future accreditation and licencing system for ESG Tool

It was agreed to postpone discussion of the future accreditation system and terms and conditions until the next meeting. PGC members were asked to provide comments to the

written briefing document (PGC 17.3) by 24<sup>th</sup> January 2018 to enable the ME to respond in time for the meeting.

## **6. Good International Industry Practice Guidelines: Approval on Format**

The Meeting discussed a proposed format for the Good International Industry Practice Guidelines. A short discussion followed on readability of the guidelines with a number of comments made that the guidelines were too textual and inaccessible to readers. It was suggested that they could be broken up with more bullets and use of colour in the guidelines. The ME responded by acknowledging the issues of readability but by affirming that the style chosen hit the right balance between accessible and engaging language and homage to the Protocol.

**Decision and Next Steps:** The PGC agreed to the format put forward by the ME. The ME will request the consultant to draft the other guidelines in this format.

## **7. Any Other Business**

A member appealed for the Hydropower Sustainability website to be updated as soon as possible, ME responded by saying additional resource would now be available in the ME as from the new year and this would free up time within the ME to work on updates to the Protocol.

## **8. Time and Date of next meeting**

It was agreed that a face to face meeting would be held around the time of the IHA Board in early February 2018. It was agreed that if PGC members were travelling for a meeting in any case, it would make sense to have a day-long meeting and discuss a wider range of issues face to face. A doodle poll was circulated shortly after the meeting with two date options.