

MINUTES
HYDROPOWER SUSTAINABILITY GOVERNANCE COMMITTEE
MEETING #42 (video conference call)
23 May 2023 (12:00-14:30 UK time)

Attendees	Apologies
<p>Ashok Khosla (Chair, HSGC)</p> <p>Kimberly Lyon (Chair, Financial institutions, Vice Chair HSGC)</p> <p>Jian-hua Meng (Chair, Environmental or conservation organisations)</p> <p>James Dalton (Alternate, Environmental or conservation organisations)</p> <p>Jiwari Abdullah (Chair, Social impacts/project affected communities)</p> <p>Daniel Menebhi (Chair, Advanced economy country governments)</p> <p>Pedro Sirgado (Chair, Hydropower operators, developers)</p> <p>Jürgen Schuol (Chair, Hydropower consultants, suppliers)</p> <p>Knut Sierotzki (Alternate, Consultants and Suppliers)</p>	<p>Prof Shi Guoqing (Observer, Emerging economy country governments)</p> <p>Geir Yngve Hermansen (Alternate, Advanced economy country governments)</p> <p>Elisa (Jianliang) Xiao (Alternate, Financial institutions)</p> <p>Stéphane Brabant (Alternate, Social impacts/project affected communities)</p> <p>Catherine Garcia (Alternate, Hydropower operators, developers)</p> <p>Mwape Chikonkolo Mwewa (Chair, Emerging economy country governments)</p> <p>Sunil Poudel (Alternate, Emerging economy country governments)</p>
Observers	Secretariat
Helen Locher (Accredited Lead Assessor)	<p>Eddie Rich</p> <p>Joao Costa</p> <p>Alain Kilajian</p> <p>Amina Kadyrzhanova</p> <p>Amira Abdalla</p> <p>Mariana Empis</p>
Agenda Item	Minutes
HSGC 42.1 Welcome and apologies	HSGC Chair confirmed quorum and welcomed HSGC members to the meeting. He reminded them of the housekeeping rules. The Chair also confirmed there were no objections to a representative of Accredited Lead Assessors joining as an observer to the meeting.
42.2 Agenda	The agenda was approved.
42.3 Status of actions from last meeting	<p>The minutes of the last meeting were approved and the status of the actions from the last meeting verified.</p> <p>A Committee member requested an additional column be added to certification pipeline list to indicate the project stage.</p> <p>The Secretariat took note of this suggestion.</p> <p>Action 1: The Secretariat to update certification pipeline to include project stage.</p>



<p>42.4 Roadmap and financial update</p>	<p>The Chair invited the Secretariat to present the roadmap status update.</p> <p>The Secretariat summarised the progress and indicated that the Secretariat was on track on all vectors and noted the focus on realising the success factors securing funding and increasing certifications.</p> <p>The Secretariat highlighted that the IHA Board had agreed to provide an annual grant over the first five years to HSA subject to a review at year three (terms and conditions to be finalised and approved).</p> <p>The Secretariat added that there were improved prospects for new contracts with existing donors – all to be confirmed.</p> <p>The Secretariat summarised that the certification pipeline continued to grow and remarked that three project reports were expected to be published within the next month.</p> <p>The Chair opened the floor to comments.</p> <p>A Committee member requested updates on collaboration with Low Impact Hydropower Institute (LIHI) and whether this kept HSS out of the US Market.</p> <p>The Secretariat responded that the Secretariat had a good working relationship with LIHI and that the MoU terms were to be defined.</p>
<p>42.5 HS Alliance location and legal establishment</p>	<p>The Chair invited The Secretariat to present.</p> <p>The Secretariat summarised the comparison between the shortlisted options which led to the recommendation of Lisbon as the location for the HSA Secretariat.</p> <p>The Chair opened the floor to comments.</p> <p>In the discussion the committee members cautioned against appearing Eurocentric, proposed emphasizing has communications to be global, and commented that an office in Europe was beneficial for access to funding, time zones, physical connectivity, and reduced travel costs. The pros and cons of different office locations were discussed including the language and physical barriers to having an office in South America and Asia and the residency requirements for offices in other European countries.</p> <p>A Committee member enquired whether staff would be relocating to Lisbon and if so whether these costs had been considered. He added that the Secretariat should consider the implications of this relocation on the existing donor contracts and extension of contracts.</p> <p>The Secretariat reflected that HSA would investigate having regional representatives in the future to ensure HSA had a global perspective. The Secretariat noted that the next steps following location decision would be to work with legal team and review the relocation implications for existing and future donor contracts. He indicated that there would be no relevant associated costs for staff relocation as the team would continue to work with remote work policy.</p> <p>Decision 1: The HSGC approved the decision to establish the Hydropower Sustainability Alliance office and legal entity in Lisbon, Portugal.</p>
<p>42.6 Certification fee for small hydropower projects (= <10MW)</p>	<p>The Chair invited The Secretariat to present the proposal to reduce small hydropower projects.</p> <p>The Secretariat highlighted that the reduction of costs would increase market reach for the HSS while advancing HSA mission to promote wider adoption of sustainable hydropower practices. He added that this proposal would still allow HSA to cover internal costs.</p>



	<p>The Chair opened the floor to comments.</p> <p>In the discussion the following points were raised:</p> <ul style="list-style-type: none"> • Committee members welcomed the proposal commenting that discounts would give smaller projects a good incentive to invest in social and environmental aspects. It was noted that LIHI scaled its fees according to project size. • Additional discounts for larger projects were discussed and the Secretariat noted that any decision to reduce certification fees should not put HSS finances at risk. • A Committee member noted a concern on the perception of proliferation of small hydro. He proposed this fee adjustment not be communicated as a discount for small projects. The ALA representative commented that the proliferation of smaller hydro schemes was often related to regulatory frameworks and would not be affected much by certification fees. <p>Decision 2: The HSGC approved the reduction of the certification fee for small hydropower projects of 10 MW and under, to GBP 5,000 which is 50% of the current fee. The re-certification fee would also be reduced in 50%, from GBP 5,000 to GBP 2,500.</p>
<p>42.7 Staffing principles</p>	<p>The Chair invited the Secretariat to present.</p> <p>The Secretariat summarised that staffing principles were aligned with the business plan, current workload and expected future workload and types of activities. The Secretariat emphasised that recruitment would only be made if it did not compromise the financial bottom line or was deemed necessary for delivery of specific pieces of work.</p> <p>The Chair commented that the principles were well thought out with consideration on what could be outsourced in order to balance needs with budget. The Chair opened the floor to comments.</p> <p>In the discussion the following points were raised:</p> <ul style="list-style-type: none"> • Committee members commented that the Secretariat had presented a sensible approach to recruitment without overstaffing and by considering outsourcing. However, questions were raised on whether the staffing costs were being underestimated and highlighted that the paper did not demonstrate clear alignment with business plan figures. • A Committee member suggested the adoption of a “grandfather principle” for the HSGC to oversee recruitment, while others strongly advised against that. The Chair proposed a solution to form a recruitment group (Committee and Secretariat members) to be involved in high level decisions on adding new roles, making clear that recruitment should be Secretariat’s responsibility. <p>The Secretariat took note of comments raised and reassured the Committee that the HSA staff would not double at this moment. He added that the Secretariat would provide timeline with additional details on the staffing plan and recruitment process.</p> <p>Action 2: The Secretariat to update their Staffing Principles and Staffing Plan into consolidated paper.</p>
<p>42.8 HS Alliance Brand Guidelines</p>	<p>The Chair invited the Secretariat to present.</p> <p>The Secretariat summarised brand guidelines and added that the final version would be presented based on HSGC feedback.</p> <p>The Chair opened the floor to comments.</p> <p>In the discussion the following points were raised:</p>

	<ul style="list-style-type: none"> • Committee members proposed reviewing the photo guidelines to be less restrictive. • The ALA representative cautioned that wording used on photo guidelines could be interpreted as greenwashing. • Committee members discussed HSA logo use proposed including clear guidelines on logo use. • The Secretariat added that some of the aspects required legal guidance. He added these issues will be discussed with lawyers including liability, copyrighting and claims and how to deal logo use and legal avenues. • The Chair added branding guides should keep in mind multilingual and non-lingual communication. <p>Decision 3: The HSGC approved the draft of the new HSA Brand Guidelines subject to revisiting the wording in the guidelines about photos to avoid any perceptions of greenwashing.</p>
<p>42.9 Donor funded programmes updates and opportunities</p>	<p>The Chair invited the Secretariat to present.</p> <p>The Secretariat presented updates on donor funded programmes and opportunities. He noted an ongoing theme with most programme countries simultaneously wanting to improve their sustainability performance and to raise foreign investment.</p> <p>The Secretariat summarised that the work was moving in the right direction with an increase in national assessors. He highlighted a successful AA Training that took place in London in May 2023 with 16 people from 6 different countries and thanked SECO for their support.</p> <p>In the discussion the following points were raised:</p> <ul style="list-style-type: none"> • A Committee member expressed gratitude from SECO to the Secretariat team noting that there has been good feedback from programmes. He highlighted that the work in Colombia had led to plans to use the HSS in policy level and the importance of assessing Ituango. • A Committee member asked for more details on the previous assessment in Albania. The Secretariat indicated that the project did undergo a previous self-assessment, which highlighted room for improvement in some topics and that an official assessment was planned in 2023. • A Committee member also asked whether the March 2023 fundraising webinar had led to any donor interest. The Secretariat responded that the fundraising webinar did not create immediate signed agreement with other donors, but it brought the Secretariat closer to new potential donors with strong ongoing discussions. • The Secretariat highlighted the ongoing work with I-REC to finalise status as a labelling authority which would allow certified hydropower projects to sell their Renewable Energy Credits at a higher rate – this would give companies additional financial incentives for certification.
<p>40.10 Next HSGC meetings</p>	<p>The Chair recommended that HSGC take note of proposed dates for the next HSGC meetings:</p> <ul style="list-style-type: none"> - Meeting #43: Week of August 28 (virtual) - Meeting #44: 30 October at World Hydropower Congress in Bali (hybrid)
<p>42.11 Any other business</p>	<p><u>AOB 1: Mandate extension until October 2023</u></p> <p>The Secretariat indicated that the Board’s two-year mandate would end in May 2023. He proposed its extension until the launch of the HSA, in October 2023. While this has been subject to previous discussions, the Secretariat recommended that it be minuted as an agreement.</p> <p>The Secretariat indicated that upcoming elections were for Chamber members as the existing 7 chambers would be merged into 4. He added that Chamber representatives would maintain their functions. He noted that elections would be running during the summer and new members</p>

	<p>would start their mandate in October in Bali meeting during which existing HSGC members would handover.</p> <p>In the discussion Committee members requested Secretariat support their elections given the merging of chambers. The Secretariat added that Secretariat would follow up with detailed agenda for elections and procedure.</p> <p>Decision 4: HSGC members agreed to extend their current mandate extension until the launch of the HSA in October 2023.</p> <p>Action 3: The Secretariat to circulate detailed agenda for elections and procedure. Action 4: The Secretariat to support merging chambers with upcoming elections.</p> <p><u>AOB 2: Consideration of companies as accredited assessors</u> The Secretariat took note of the issue raised by the ALAs regarding the concerns about the limited number of assessors. He added that accreditation of companies was an important issue to consider for the scalability of the certifications, while considering the risks and impacts this might have on the quality of certifications.</p> <p><u>AOB 3: Consideration of language are a potential limitation of the uptake of the Standard</u> The Secretariat noted that opportunities to certify projects in non-English languages are being considered with concerns around managing risk and ensuring high quality of the HSS.</p> <p>The Chair thanked the HSGC members for joining and closed the meeting.</p>
<p>42.12 Summary of decisions and actions</p>	<p>Decision 1: The HSGC approved the decision to establish the Hydropower Sustainability Alliance office in Lisbon, Portugal.</p> <p>Decision 2: The HSGC approved the reduction of the certification fee for small hydropower projects of 10 MW and under, to GBP 5,000 which is 50% of the current fee. The re-certification fee would also be reduced in 50%, from GBP 5,000 to GBP 2,500.</p> <p>Decision 3: The HSGC approved the draft of the new HSA Brand Guidelines subject to revisiting the wording in the guidelines about photos to avoid any perceptions of greenwashing.</p> <p>Decision 4: HSGC members agreed to extend their current mandate extension until the launch of the HSA in October 2023.</p> <p>Action 1: The Secretariat to update certification pipeline to include project stage.</p> <p>Action 2: The Secretariat to update their Staffing Principles and Staffing Plan into consolidated paper.</p> <p>Action 3: The Secretariat to circulate detailed agenda for elections and procedure Action 4: The Secretariat to support merging chambers with upcoming elections</p>