

MINUTES
HYDROPOWER SUSTAINABILITY GOVERNANCE COMMITTEE
MEETING #37 (video conference call)
24 February 2022 (12:00-14:00 UK time)

Attendees – 24	Apologies
<p>Ashok Khosla (Chair, HSGC)</p> <p>Kimberly Lyon (Chair, Financial institutions, Vice Chair HSGC)</p> <p>Elisa (Jianliang) Xiao (Alternate, Financial institutions)</p> <p>Jian-hua Meng (Chair, 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>Geir Yngve Hermansen (Alternate, Advanced economy country governments)</p> <p>Jürgen Schuol (Chair, Hydropower consultants, suppliers)</p> <p>Pedro Sirgado (Chair, Hydropower operators, developers)</p> <p>Catherine Garcia (Alternate, Hydropower operators, developers)</p> <p>Mwape Chikonkolo Mwewa (Chair, Emerging economy country governments)</p> <p>Prof Shi Guoqing (Alternate, Emerging economy country governments)</p> <p>Bernt Rydgren (Accredited Lead Assessor)</p> <p>Sunil Poudel (Observer, Emerging economy country governments)</p> <p>David Plumb (Observer, Consensus Building Institute)</p> <p>Eddie Rich (HS Secretariat)</p> <p>Joao Costa (HS Secretariat)</p> <p>Alain Kilajian (HS Secretariat)</p> <p>Amina Kadyrzhanova (HS Secretariat)</p> <p>Amira Abdalla (HS Secretariat)</p> <p>Mariana Empis (HS Secretariat)</p> <p>Angelena Christian (IHA)</p> <p>Will Henley (Observer, IHA)</p> <p>Elena Perez (Observer, IHA)</p>	<p>James Dalton (Alternate, Environmental or conservation organisations)</p> <p>Stéphane Brabant (Alternate, Social impacts/project affected communities)</p>

Agenda Item	Minutes
HSGC 37.1 Welcome and apologies	The Chair confirmed quorum and welcomed HSGC members to the meeting. The Chair reminded them of the housekeeping rules. The Chair also checked that there were no objections to a representative of Accredited Lead Assessors and a consultant from the Consensus Building Institute (CBI) joining as observers to the meeting.
37.2 Agenda	The agenda was approved.
37.3 Status of actions from last meeting	The minutes of the last meeting were approved and the status of the actions from the last meeting were verified.
37.4 HSGC governance review	<p>The Chair invited a consultant from CBI to introduce the HS governance inception report.</p> <p>The Consultant presented the inception report and set out four key dilemmas:</p> <ol style="list-style-type: none"> (1) Identity: The standard was born from a multi-stakeholder process yet is widely perceived as industry driven. Steps are needed to better align the standard’s image, branding, communications and governance with the multi-stakeholder spirit that created the standard. It’s really a question about identity. Who are “we,” as we carry forward the HS? What steps can we take in the very near term? Is it time for a new idea, new concept, new name? (2) Increase Standard Uptake: The standard is underutilized and not yet having a major impact. It is not required by lenders, not typically demanded by governments or civil society, and often seen as an extra expense by companies. How can governance address these impediments to greater uptake of the standard? Who can serve as core champions or ambassadors? How do we drive the uptake? (3) Transition Funds and Phases: Realizing the full potential of the HS likely requires signals of greater independence. Yet, the financial viability of the management unit / secretariat for the HS isn’t clear. How can transitional funds be secured to support the shift to a credible business model? How can a new governance arrangement be sequenced and implemented to protect against failure? (4) Governing Board Composition / Expertise: Other standards organizations are wrestling with the right balance in their governance bodies of stakeholder interest group representatives versus “independent” members or members with specific expertise (non-technical financial, marketing, governance expertise). Also, there are different models for getting technical expertise engaged in decisions. How can a new governance model anticipate these tensions and strike a balance? <p>The Chair highlighted the need to address questions on the future HS governance structure and opened the floor for comments.</p> <p>A committee member requested the IHA and IHAS to share their standpoint.</p> <p>The Secretariat commented that whilst they could not speak on behalf of the IHA Board, there appeared to be no objection to the broad concept of independence although there could be some practical objections as it was developed.</p> <p>The Secretariat provided IHAS’ perspective underlining that there was an understanding of pros and cons but IHAS was confident about the importance of a clear identity to improve how the Standard was perceived. The secretariat added that a connection to IHA was also valuable.</p>



	<p>The Secretariat added that internally a division between the Standard and IHA already existed, and that independence did not have to be absolute. They added that links between the Standard and IHA would remain strong after independence.</p> <p>A committee member provided comments in chat advising to establish a “check and balance” mechanism to achieve greater transparency, impartiality, governance credibility and quality assurance. The committee member added that a strategy and timing for independence need to be carefully planned.</p> <p>The Secretariat noted that the issue was not whether or not IHA had credibility, but the perception that a Standard managed by the industry body was “marking your own homework”.</p> <p>Another committee member commented that there was also a speed dilemma given that the Standard was introduced last year and that there might be a need to give it time before the transition. The committee member added that the Standard uptake by the industry was crucial and should be done voluntarily.</p> <p>Another committee member argued that the independence would be key to increase the Standard uptake. The committee member asked for clarification about the current set up compared to other sectors.</p> <p>Another committee member agreed on the benefits of independence and highlighted that the key question was uptake. The committee member added that an incentive from financial institutions could increase uptake. The committee member expressed caution of losing important players.</p> <p>Another committee member agreed that the independence was important. This committee member highlighted that a voluntary Standard would be ideal but they do not always materialise.</p> <p>The Vice Chair agreed that the independence was important for overall credibility and recommended that the discussion should focus on whether there was a required governance structure. The Vice Chair added that the process would require a clear transition and cannot happen overnight.</p> <p>A committee member asked for clarification on the expectations from ISEAL regarding independence.</p> <p>The ALA representative expressed caution against the use of the crude concept of independence and instead accept the reality of interdependence.</p> <p>The Secretariat commented that the question of uptake should not be reduced to voluntary vs mandatory but instead the approach should be on “embedding” the Standard. The Secretariat added that independence was not binary as the industry, and particularly the IHA, was going to remain involved and the concept should be treated as graduation not a divorce. The Secretariat added that timing-wise there was no point in delaying as this was creating an identity crisis. The Secretariat highlighted the need for independence for IHAS’s identity and strategy.</p> <p>The Chair commented on the need to ensure that all stakeholders found the Standard credible.</p> <p>The CBI Consultant thanked the Committee for their input and concluded the discussion. The consultant added that the CBI would prepare a roadmap with clear intent and signals which would be presented later in the year.</p>
<p>37.5 Monitoring and Evaluation System</p>	<p>Following a recommendation by the Committee members, it was agreed that the Monitoring and Evaluation system would be shared on Basecamp for approval.</p>

	<p>Action 1: The HS Secretariat to circulate the Monitoring and Evaluation System for approval.</p>
<p>37.6 ISEAL Certification application and HSS Conflict of Interest Policy</p>	<p>The Chair invited the Secretariat to provide an update on the ISEAL Certification application and HSS Conflict of Interest Policy. Following the Secretariat's presentation, the Chair opened the floor for comments.</p> <p>The ALA representative commented that the ALA group did not agree with some wordings in the Conflict of Interest policy. The Secretariat noted that the Conflict of Interest policy had been updated to reflect some of the ALAs' comments and would continue to be amended throughout the process.</p> <p>The Chair responded that the Conflict of Interest policy would be a live document.</p> <p>Action 2: The HS Secretariat to circulate the updated Conflict of Interest Policy for approval.</p>
<p>37.7 Management Accounts – Fiscal Year 2020/21</p>	<p>The Chair invited IHA and the Secretariat to present the management accounts. Whilst IHAS had made a loss of £55k in FY 2020/21, the forecast for this year was to generate a surplus due to more project money coming on stream and increased demand for assessments and training. Q1 had turned out promisingly. No comments were raised.</p>
<p>37.8 Communications update</p>	<p>The Chair invited the Secretariat to present the communications update. The Chair opened the floor for comments.</p> <p>A committee member highlighted the need to improve communications and create independent channels from IHA.</p>
<p>37.9 Any other business</p>	<p>The Chair invited Committee members to share their thoughts and ideas on how to increase engagement in chambers.</p> <p>The Secretariat welcomed a new Committee member.</p> <p>The Secretariat proposed that the next meeting take place in person on 10 May in London, a day before the IHA Board in-person meeting on 11-12 May to allow for the Committee and IHA Board to share opinions, especially on the Governance Review.</p> <p>The Chair closed the meeting.</p> <p>Action 3: The HSGC to send ideas to the HS Secretariat on how to increase engagement within chambers.</p>
<p>37.10 Summary of decisions and actions</p>	<p>Action 1: The HS Secretariat to circulate the Monitoring and Evaluation System for approval.</p> <p>Action 2: The HS Secretariat to circulate the updated Conflict of Interest Policy for approval.</p> <p>Action 3: The HSGC to send ideas to the HS Secretariat on how to increase engagement within chambers.</p>