

**MINUTES**  
**HYDROPOWER SUSTAINABILITY GOVERNANCE COMMITTEE**  
**MEETING #43 (video conference call)**  
**30 August 2023 (12:00-14:30 UK time)**

<b>Attendees</b>		<b>Apologies</b>	
<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>James Dalton (Alternate, Environmental or conservation organisations)</p> <p>Daniel Menebhi (Chair, Advanced economy country governments)</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 (Observer, Emerging economy country governments)</p> <p>Sunil Poudel (Alternate, Emerging economy country governments)</p> <p>Jürgen Schuol (Chair, Hydropower consultants, suppliers)</p> <p>Knut Sierotzki (Alternate, Consultants and Suppliers)</p> <p>Jiwari Abdullah (Chair, Social impacts/project affected communities)</p> <p>Stéphane Brabant (Alternate, Social impacts/project affected communities)</p> <p>Geir Yngve Hermansen (Alternate, Advanced economy country governments)</p>	
<b>Observers</b>		<b>Secretariat</b>	
<p>Joerg Hartmann (Accredited Lead Assessor)</p>		<p>Eddie Rich</p> <p>Joao Costa</p> <p>Alain Kilajian</p> <p>Amira Abdalla</p> <p>Mariana Empis</p>	
Agenda Item	Minutes		
HSGC 43.1   Welcome and apologies	The HSGC Chair confirmed quorum and welcomed HSGC members to the meeting. The Chair also confirmed there were no objections to a representative of Accredited Lead Assessors joining as an observer to the meeting.		
43.2   Agenda	The agenda was approved.		
43.3   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>The Secretariat commented that the staffing plan was ongoing and would be finalised later in the year. He noted the staffing plan aims to reinforce existing structure with support for certifications, communications and training academy, as well as strengthening policy. The Secretariat also mentioned that one IHA member organisation is considering offering seconded staff to HSA, noting that this would contribute to meeting staffing needs within budget.</p>		

	<b>Action 1: The Secretariat to continue developing the staffing plan until the end of 2023.</b>
43.4   Roadmap and financial update	<p>The Chair invited the Secretariat to present the roadmap status update.</p> <p>The Secretariat presented a detailed transition map showing progress on all matters, highlighting good headway on the legal aspects, finances (especially IHA annual grant and extended contracts with current donors), and rising number of certifications.</p> <p>The Chair opened the floor to comments.</p> <p>Committee members discussed the need for caution with regards to foreign exchange risk associated with donor contracts. The volatility poses a considerable risk on IHA accounts and separate HSA accounts. It was agreed that mitigating strategies should be discussed with donor partners in separate.</p>
43.5   IHA Annual Grant	<p>The Chair invited the Secretariat to introduce the Terms and Conditions for the Annual Grant from IHA to HSA.</p> <p>The Secretariat highlighted that a key article in the agreement referred to IHA oversight. This could be attained with a seat at the Supervisory Committee, which would give the representative the right be involved in consensus-based decisions related to changes to the Standard or the Charter.</p> <p>The Secretariat noted that the IHA Board was satisfied that there were enough checks and balances in the system to be confident that the wording and spirit of the agreement would be upheld.</p> <p>The Chair opened the floor to discussion.</p> <p>Committee members welcomed IHA’s financial support, noting the need to clarify the roles, authority, and responsibilities.</p> <p>The Secretariat commented that next section would answer questions regarding nomenclature, election of Supervisory Committee and any relevant legal aspects.</p> <p><b>Decision 1: The HSGC endorsed the Terms and Conditions for the Annual Grant from IHA to HSA.</b></p>
43.6   Legal update	<p>The Chair invited the Secretariat to present the alignment of the governance structure with Portuguese law.</p> <p>The Secretariat presented the governance structure which was aligned with Portuguese law.</p> <p>Committee members discussed the role, authority, and term duration of IHA position in the Supervisory Committee. Members also asked whether the Supervisory Committee was open to other organisations, and the process of selecting the Supervisory Committee.</p> <p>A Committee member noted that the role of Independent Directors (now transposed into the Supervisory Committee) was intended to broaden and strengthen the HSGC’s reach. The Committee member acknowledged the need to provide mechanisms for donors to have oversight on the use of their funds and provide feedback but raised the question of how the IHA agreement and expected role would change this vision of the Supervisory Committee, with it becoming more of a mechanism for donors going forward. The Committee member proposed having set clauses for the role, possibly linked to duration of funding.</p> <p>The Secretariat noted that the role of the Supervisory Committee was to function as an independent body to oversee the Executive Committee’s work, including finances. The Secretariat added that the Supervisory Committee was open to other people with different expertise or donors, keeping the same essence of the Independent Directors concept.</p>



	<p>The Secretariat added that, as long as the legal structure was compliant with Portuguese law, there was reasonable flexibility to define the roles and responsibilities, provided that it was clearly outlined in the statutory documents.</p> <p>The Chair asked for additional details on the liability tied to each of the different statutory bodies, as well as additional details on the liability associated with the inadequate performance of the certification system.</p> <p>The ALA representative added that the legal review should also consider the role and responsibilities of Accredited Assessors.</p> <p>The Secretariat took note and confirmed that the Secretariat will clarify all these discussion points with the lawyers, who will contribute to elucidate all matters in the revised Charter, including the election or appointment of members, term duration, authority and responsibilities. The Secretariat also confirmed there were ongoing discussions with the lawyers on the assurance system to ensure the right disclaimers and insurance clauses were included.</p> <p><b>Decision 2: HSGC approved the proposed alignment of the current governance structure with Portuguese law.</b></p> <p><b>Action 2: The Secretariat to complete the Charter review, in collaboration with legal counsel.</b></p>
<p>43.7   Donor funded programmes updates and opportunities</p>	<p>The Chair invited the Secretariat to present.</p> <p>The Secretariat summarised that three projects were suggested for IHA Blue Planet prize. The Secretariat highlighted that multiple assessments are being conducted in high-profile projects around the globe. The Secretariat announced contract extensions with SECO and Norad, and added that there were ongoing discussions for work with FMO and USAID.</p> <p>The Secretariat announced the engagement with IREC – Renewable Energy Credits – and the high probability of aligning the HSS as their hydropower good practice reference.</p> <p>The Secretariat added ongoing discussions with Colombian government to embed HS Standard in Colombian regulation, and incentives policy.</p> <p>The ALA representative echoed cautious optimism about the project with the Colombian government. The ALA representative added that there was a lot of momentum on assessments worldwide, and an increase in number of accredited assessors would be welcome to handle the workload.</p> <p>A Committee member noted that SECO was happy to see the momentum of the programme. He reinforced SECO’s support in the extension of the programme into French speaking region, which may strengthen the HS Standard reach in another language group. The Committee member cautioned that assessment of high-profile projects also means high-stakes and certain risk adding that many assessments at gold level would indicate that HS Standard was not being awarded at the level of stringency that it should be. The Committee member observed another concern was the inactivity in the governments chamber and proposed inviting Colombian government.</p> <p>The Secretariat agreed, yet noted that many projects which do not achieve good practice during an assessment do not share their results. The rigour and difficulty of achieving certification most times is not public, thus the improvement journey is not always recognised.</p> <p>The ALA representative noted there were ongoing discussions amongst assessors and agreed that the HSS credibility could be questioned if only Gold Level Certifications are issued. The ALA representative agreed with monitoring and suggested that adjusting the requirements to make it harder to reach Gold Level could be considered (at a technical level, or just by increasing the percentage of minimum requirements met to achieve gold).</p>

	<p>A Committee member agreed that we need to keep pushing the bar for the HSS. The Committee member proposed that communication material could highlight that the HS Standard would be pushing for continuous improvement.</p> <p>The Secretariat took note and will consider strategies on how to reinforce this message.</p>
<p>43.8   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"> <li>- Meeting #44 &amp; Meeting #1: 30 October 2023</li> <li>- Meeting #2: April 2024</li> </ul> <p>The Secretariat noted that HSGC Meeting #44 / #1 would be hybrid in Bali and hoped to see everyone there.</p>
<p>43.9   Any other business</p>	<p><u>AOB 1: HSGC Elections</u></p> <p>The Secretariat summarised that elections were ongoing adding that the Governments Chamber was going through second nomination period.</p> <p>The Chair thanked the HSGC members for joining and closed the meeting.</p>
<p>43.12   Summary of decisions and actions</p>	<p><b>Decision 1: The HSGC endorsed the Terms and Conditions for the Annual Grant from IHA to HSA.</b></p> <p><b>Decision 2: HSGC approved the proposed alignment of the current governance structure with Portuguese law.</b></p> <p><b>Action 1: The Secretariat to continue developing the staffing plan until the end of 2023.</b></p> <p><b>Action 2: The Secretariat to complete the Charter review, in collaboration with legal counsel.</b></p>