Tokyo Dams seminar
January 12, 2011
Michael Simon, Oxfam Australia

World Commission on Dams 10 years on...

What is the role of the Hydropower Sustainability Assessment Forum’s 2010 Protocol?

Overview

• Setting the context for hydropower in 2011. What is the current state of hydropower development globally?
• WCD +10. HSAF Protocol? How does it work?
• Who was involved? And why?
• What are the key issues it addresses?
• How does it relate to other standards and regulations.
• Does the Protocol have a role in determining better outcomes for rivers and sustainability?

Global context for hydro

• Hydropower is in a rejuvenation phase
• Hydro as a solution to climate change (as an alternative to power generated from coal) is increasing as a justification
• Accessing finance for avoided emissions credits in carbon markets is an important goal for hydro developers
• Some dams (such as the proposed mainstream dams in the Mekong) long considered too environmentally or socially costly, are being pushed again – with projected energy needs (energy planning) and foreign direct income (sales into markets) as a major driver.

What is driving the renewed interest in hydropower?

• Investment opportunities – big money to be made into regional power markets, power hungry industries
• Changing role of ‘traditional funders’. Eg bilateral donors and International Financial Institutions (ADB, WB). WB now talks of hydro as development project.
• Growing role of the private sector
• Intra-regional investment – eg: Project developers in the Mekong region are now largely from Thailand, Vietnam, China, Malaysia, Russia
• Banks from developing countries are now key financiers …. and important decision makers
• Little or no transparency or accountability or commitment to “international standards”
The objective was to develop an Assessment tool that:

• Water is more precious than ever
• Partnership between:
  - Food and water security
  - Energy and water security
  - Water for food and ecosystems
  - Water for energy and industrial growth
• The hydropower sector commits to use water sustainably in decision-making and transparently in operations.

Rivers and aquatic resources remain central to food security for the poor, even more so with climate change.

In summary WCD is important today as 10 years ago. WCD is practical across a range of contexts, and that is endorsed by external organisations.
### Draft Protocol Sections

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<th>Section</th>
<th>Countries</th>
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<td>Section I</td>
<td>Canada, South Africa, Zambia</td>
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<td>Section II</td>
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<td>Brazil</td>
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<td>Germany, China</td>
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### Draft Protocol Trials for Which Report Have Been Received

- **Canada**: 2 trials
- **Chile**: 1 trial
- **South Africa**: 3 trials
- **Germany**: 1 trial
- **China**: 1 trial
- **Zambia**: 1 trial
- **Australia**: 2 trials
- **Laos**: 2 trials
- **India**: 1 trial
- **Ghana**: 1 trial
Summary of the key issues and challenges

- Acceptability by all stakeholders – how will Governments apply it? Why would Governments use it? What are the consequences once an assessment is undertaken?

- Fit with other standards and safeguards (WCD and CDM, Bank policies)

- Consistent and meaningful implementation by private sector (IHA - non IHA developers)

- Project focus of protocol makes assessment on cumulative, legacy and basin wide issues difficult

- Industry reluctant to be ‘measured’ on critical issues deemed to be outside their scope of influence (eg. water quality, government implemented programs such as resettlement)

Progressive companies (most with high CSR requirements) want to score 5s…on everything - will they be willing to accept 3rd party assessment

Example of How IHA Might Package Commitment Post-Protocol Finalisation

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<td>IHA members self-assess min. one project by 2012</td>
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<td>IHA members pledge to use third-party auditors</td>
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<td>IHA members publish a sector sustainability report</td>
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<td>IHA members share results internally</td>
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<td>IHA members work with other stakeholders to develop sectoral incentive for Protocol application</td>
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Procedure to address failure to meet performance thresholds

Example of How IHA Might Package Commitment Post-Protocol Finalisation

(ideas under development)

Thank you
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http://www.hydropower.org/sustainable_hydropower/
Hydropower_Sustainability_Assessment_Protocol_November_2010.pdf