



To: Eddie Rich, Chief Executive Officer, International Hydropower Association
Roger Gill, President, International Hydropower Association
From: Darryl Knudsen, Executive Director, International Rivers
Date: February 17, 2021

International Rivers' comment on IHA's proposed hydropower certification scheme

International Rivers is taking this opportunity to provide its response and comment on the proposed hydropower certification scheme developed by the International Hydropower Association (IHA).

Our comments take the form of a written submission in lieu of the inadequate online form provided for the comment period. The questions and structure of the form limit the nature of responses and are framed around the IHA's assumption that the certification scheme is desirable and that the industry-created tools represent a suitable suite of standards to select from as the basis for a certification scheme. This assumption is inappropriate. As such, we decline to comment via the survey form that prompts users to weigh in on the prescribed limited set of options presented.

International Rivers' position is that the certification scheme as outlined is ill-conceived and fundamentally flawed. We nonetheless find it necessary to register our core concerns about both the proposed process for establishing the certification scheme, as well as to convey our deep misgivings about the supposition that hydropower projects can or should be certified as "sustainable." Ultimately, International Rivers sees the proposed certification scheme as an attempt by the IHA to use a misleading claim of sustainability to boost its brand at a time when new hydropower capacity is in a multi-year decline. We are concerned that the scheme aims to burnish the industry's green credentials in order to capitalize on the notion that hydropower is deserving of scarce climate financing, which it is not, as well as to position itself to be included in post-Covid economic recovery packages, which it should not be.

Objections to a certification standard

Our objections to the proposed certification scheme revolve around a number of fundamental issues. These include:

- **The impacts of hydropower are too complex to be meaningfully addressed in a certification scheme.** The direct, indirect, and cumulative impacts of hydropower are too inherently complex to be subjected to a sustainability certification. The sector's [well-known negative impacts](#) – on biodiversity, ecosystems, and local communities, whose rights have been systematically violated and livelihoods undermined – tend to be extensive, profound and prolonged over time, without effective mitigation and

reparations, even when palliative measures such as resettlement schemes are introduced. These negative impacts, which we outline in more detail below, are all either absent or tangential to the proposed process for project certification and help illustrate the scheme's shortcomings.

In our view, it is impossible for a hydropower project to be considered sustainable when, by its nature, negative impacts extend well beyond its immediate vicinity, and can have far-reaching impacts along a river's length. The cumulative impacts that projects have with other dams within a river basin as well as the induced impacts caused by the construction of transmission lines and roads into often remote areas are further complicating factors in designing and properly implementing a certification scheme. At the same time, dams are often proposed as a central component of industrial development plans, alongside large projects such as industrial waterways, or are developed to power mines or smelters, and the cumulative impacts are typically much more extensive and long-lasting than those of an individual project. Similarly, projects that are not selected through rigorous energy and river basin planning processes subjected to meaningful consultation with stakeholders cannot be deemed sustainable regardless of the quality of a project's impact assessment. The complex nature of these impacts further demonstrates the problematic proposal within the scheme to certify projects at particular project stages.

- **The effort is overly influenced and driven by the hydropower industry and is primarily concerned with promoting its IP-controlled tools.** While the IHA has taken steps to offer the semblance of independence through the creation of a working group and an industry-dominated not-for-profit entity, this supposedly independent body is effectively controlled by the IHA and its allies and supporters. These actors have a vested and financial interest in promoting the notion of "sustainable hydropower," undermining trust and belief that the certification standard can be developed credibly. The fact that the process is led by one of the IHA's accredited assessors emphasizes the lack of meaningful separation and independence. Any multi-stakeholder group for the hydropower sector that excludes the voices of affected communities, indigenous peoples, fisherfolk, farmers, and academics cannot be deemed credible. As we lay out in detail below, the public comment period cannot be considered to have served this purpose.
- **The proposal to rely on IHA-accredited assessors to certify projects represents an inherent conflict of interest.** The IHA controls the accreditation of assessors, who are in the main drawn from the hydropower industry. It is a self-referential and self-interested system, with few critical voices or "outsiders" to the industry encouraged or facilitated to be part of the process. The process of assessment now is already heavily skewed toward engagement with the project developer/operator, with little credence given to impacted communities, or independent environmental or social expertise. Assessors have a business interest in remaining on the side of industry to gain more work. As proposed in the consultation paper, assessors can even become advocates for assessments, while project proponents can request specific assessors in their application for certification.

This would make the proposed certification scheme inconsistent with ISEAL's impartiality principle proscribing conflicts of interest.

- **The IHA's sustainability tools are not fit for purpose.** The proposed tools are too limited in scope and fall short of international best practice in a number of areas, including cumulative impacts, human rights, environmental flows, gender impacts, and climate change. The ESG risk tool – which the IHA has heavily promoted as a cheaper and quicker alternative to the Hydropower Sustainability Assessment Protocol (HSAP) process and has recommended within the options paper as its preferred tool – largely amounts to a box ticking exercise conducted by assessors accredited by the IHA itself, and lacks any meaningful oversight. The ESG Gap Analysis Tool suffers from serious gaps and shortcomings, including on critical cross-cutting aspects such as consideration of women's issues and gender, the human rights of dam-affected peoples, and climate change. Even projects assessed under the ostensibly more rigorous HSAP process have, despite limited uptake, been used to promote manifestly unsustainable projects such as the [Teesta V](#) and [Jirau](#) projects, which involved serious human rights violations. Meanwhile, the scope of assessments is too narrow and not appropriate for hydropower. They set too low a bar, and do not meaningfully assess or address some of the most significant sustainability and human rights concerns by omitting consideration of a project's potential downstream, upstream and cumulative impacts.

Process concerns

The proposed process falls well short of the ISEAL principles that the options paper claims to aspire to, or even to meet basic good practice on process and consultation. Some of the issues with the process include:

- **The voices of those impacted are effectively excluded.** The time set aside for public comment ahead of the planned launch in September 2021 would be wholly inadequate for a robust process and proper consultation, and would simply not be credible. Rushing this process to approval in the midst of a pandemic while relying on online-only, and English-only comment periods to collect input falls far short of good practice. This would effectively exclude the voices of those who have borne the brunt of the impacts of hydropower projects, and does not bode well for meaningful community consultation in the eventual project assessments. These concerns extend further to the project level, where the grievance and appeals process is unnecessarily constrained and lacks independence, and shortcomings in the use of IHA's tools as a means for engaging communities are well known.
- **Fails to demonstrate the need for a certification process and a clear demand for it.** The primary beneficiaries of the scheme appear to be the hydropower companies that form the membership of the industry association and that would market the certification of their projects as "sustainable." The decision-making body overseeing the process is dominated by promoters of the industry, and key issue areas central to sustainability

questions around hydropower projects are not represented. For example, there is no representation on issues regarding meaningful consultation with communities, indigenous peoples' rights, including the right to Free, Prior, and Informed Consent (FPIC) and the highest international standards regarding involuntary resettlement – issues where the IHA's sustainability tools and application are particularly weak. The NGO representatives of the working group, while possessing expertise in their respective fields, cannot replace or represent the growing and diverse set of voices seeking to protect their rivers and communities from the proliferation of existing and planned dams.

- **Online input forms are narrow and prescriptive.** The online, prescribed portal for collecting comments through a survey form is wholly inadequate to capture input, particularly critical feedback. The form could charitably be considered “directed participation” with a series of leading questions to ascertain the level of support for a set of prescribed options. This format, which unnecessarily constrains the scope of possible options, is not consistent with good practice as it assumes the use of IHA's preferred tools by default and merely asks respondents to indicate their preferences among them. Beyond the specific shortcomings of the IHA's suite of tools, discussed above, this is objectionable purely from a process standpoint as it effectively ignored the many more robust tools, standards (such as IFC Performance Standards), and processes relevant to the hydropower industry (such as World Commission on Dams) and that have been developed by more credible bodies and which enjoy greater public support. Indeed, the options paper suffers from an excessive focus on the process for achieving certification and inadequate attention paid to and analysis of the contents of the proposed standard itself.
- **Options for standards are narrowed only to the industry's own tools.** The options presented in the survey, and the paper as a whole, are limited to varying combinations of tools the industry association itself developed, and from whose use the IHA itself would benefit financially. The paper assumes that commenters are deeply familiar with or have the time to research the differences between specific proposed tools – likely true of IHA members but virtually no one else – and does not present a digestible summary of what each approach entails. Beyond purely financial benefits, the IHA is trying to boost its own credibility through promotion of its own tools. The consultation paper even admits that “The Standard aims to lift the visibility and status of the existing [sustainability tools]” and indicates their intention of using the tools' adoption within the certification scheme to make the case for serving as a basis for financing mechanisms.

Steps the industry can take toward addressing sustainability concerns

There are a number of steps that the hydropower industry and prospective financiers can take toward addressing sustainability concerns within their industry and products. Foremost among them is to compensate and ensure effective reparations for the long-unaddressed and under-assessed social and environmental impacts of existing dams.

The hydropower industry must also confront [the growing threat that aging dam infrastructure poses to public safety](#). Hydropower companies should prioritize refurbishing turbines and rehabilitating existing dams rather than adding new hydropower capacity, and remove obsolete dams that have outlived their usefulness and, in many cases, pose safety threats or are an unnecessary obstacle in rivers.

Hydropower companies and operators can adopt and abide by ecological flow regimes at existing dams that: sustain and restore downstream ecosystems; consider water interests and rights of downstream users with improved river function by, for example, reconnecting floodplains and wetlands to seasonal river flooding; and manage storages and flow regimes to ensure regular dry and wet periods that are consistent with natural flow regimes that sustain ecosystem functions.

Any assessment, and development of a standard, for assessing impacts and risk management of infrastructure that affects rivers and river functions must prioritize environmental, social, cultural and indigenous knowledge and perspectives of the value of rivers and respect the rights of indigenous peoples, including the right to free, prior and informed consent. If they want to be considered sustainable, hydropower companies must move beyond making slight tweaks to the business-as-usual projects that have led to widespread environmental damage and exacted a steep human cost for decades.

A handwritten signature in black ink, appearing to read 'D Knudsen', with a long horizontal line extending to the right.

Darryl Knudsen
Executive Director
International Rivers