



## JOINT STATEMENT

### INTERNATIONAL HYDROPOWER ASSOCIATION WORLD HYDROPOWER CONGRESS

#### System-Scale Planning for Hydropower Development

The International Finance Corporation/The Nature Conservancy

Addis Ababa

May 9-11 2017

#### Overview

On occasion of The World Hydropower Congress being held in Addis Ababa from May 9-11 2017, which assembles government leaders, businesses, finance, and civil society to share and exchange in discussions to deliver better hydropower and development for all, the International Finance Corporation (IFC) and The Nature Conservancy (TNC) would like to jointly recognize the value of “landscape” or system-scale planning as a standard of good international industry practice for enhancing the sustainability of hydropower development.

#### System-Scale Planning for Sustainable Hydropower Development

Hydropower will be an important contributor to low-carbon energy systems, representing nearly 2 trillion USD of investment between now and 2040, and promote economic development, but also can provide a range of potential ancillary services such as flood management, irrigation and navigation. However, hydropower development can also generate significant environmental and social concerns, factors which may inhibit the hydropower buildout potential of emerging economies. Furthermore, traditional infrastructure planning approaches address only a project’s immediate, site-level impacts. When planned in isolation — e.g. at the project scale and/or without incorporating objectives for those other services — hydropower projects may fail to achieve their potential for providing multiple benefits and can in fact cause significant negative impacts.

Hence, the projected expansion of hydropower should be done right to avoid or minimize impacts on an estimated 300,000 kilometers of rivers worldwide and their associated environmental and social values; and to realize opportunities for a broad range of other economic benefits from other water-management services.

System-scale planning approaches for sustainable hydropower development allow for comprehensive, multi-criteria, multi-project and simultaneous hydropower planning and management that fully integrates other sectors and environmental and social issues from the earliest stages, sustaining ecosystem services and offering the potential for broad economic benefits to countries in addition to

energy generation, such as water supply, flood-risk management, irrigation, and habitat for migratory fish and biodiversity.

### **Strengthening and Advancing System-Scale Planning Approaches as a Standard of Best Practice**

Both IFC and TNC have complementary visions for avoiding, minimizing, mitigating and offsetting environmental and social risks of hydropower development, while unlocking the economic and financial benefits that hydropower can deliver to many developing countries that lack access to clean, cheap and reliable electricity to improve lives and create jobs.

Starting at 2015 IHA World Hydropower Congress in Beijing, both institutions are collaborating in:

- the application of hydropower-by-design principles on the Landscape Study for Hydropower Potential in Kouilou-Niari basin, Republic of Congo;
- exploring to conduct a cumulative impact assessment of the Myitgne River Basin which aims to demonstrate comprehensive basin-wide management that better understands and balances the energy options and potential environmental and social impacts. TNC also sits on the Expert Panel for the IFC-led Strategic Environmental Assessment for Hydropower in Myanmar;
- developing knowledge sharing opportunities to advance best practices on “landscape” or system-scale planning approaches in the Andes, Asia and the Western Balkans.

Building on this, and through this joint statement, IFC and TNC agree to further and deepen their collaboration to improve the standards for sustainable hydropower development at a global level, and through it, apply and promote the uptake among their government, private sector and civil society partners of landscape or system-scale planning approaches for hydropower development, as a standard of good international industry practice, and as a means to avoid environmentally and socially damaging projects, thus ensuring more benefits and less impacts than business as usual hydropower development practices.

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### **Priorities for IFC**

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it's needed most. From its foundation until today, IFC has financed 82 hydropower projects globally, totaling 9.3 GW.

Worldwide, 1.4 billion people lack access to electricity limiting health services, education and market access. If developed sustainably, hydropower could be an important part of the renewable mix to help meet growing energy demands, especially in Asia and South Saharan Africa where 700 million and 620 million (two-thirds of the population) are living without electricity, respectively.

IFC is working to raise environmental and social standards in hydropower and other infrastructure development. Increasingly, this must include landscape planning and integrated watershed management to appropriately assess and manage cumulative impacts of multiple developments affecting the same resource.

IFC's comprehensive approach aims to:

- advise companies on how to improve their systems and business operations,
- work with governments to strengthen the sustainability of the sector through improved policy and regulation,
- build clients' and partners' knowledge on how to assess and manage the environmental and social impacts and risks of their investments, and
- bring together multiple private sector clients operating in the same landscape to create platforms to tackle basin-wide governance challenges.

For more information, visit the following resources:

- IFC's Hydro Advisory program @ [www.ifc.org/hydroadvisory](http://www.ifc.org/hydroadvisory) and sign up for our newsletter
- Hydroelectric Power: A Guide for Developers and Investors (2015)
- Good Practice Handbook on Cumulative Impact Assessment and Management: Guidance for the Private Sector in Emerging Markets (2013)
- Sign up to receive news and updates from IFC Sustainability

### **Priorities for TNC**

The mission of The Nature Conservancy is to conserve the lands and waters on which all life depends.

In the last forty years alone, more than three-quarters of all wildlife connected to freshwater have disappeared, including fish, amphibians, birds and mammals. While providing important benefits, hydropower can jeopardize the natural functions of rivers and the services they provide to people and

nature. Free-flowing rivers are essential to the health of people and nature. They feed communities, provide drinking water, support jobs, sustain plants and animals, and offer cultural and recreational value.

The Nature Conservancy's water program is backed by 400 staff working across more than 500 freshwater conservation projects. We aim to protect rivers because of the immense value they provide to people, economies and the environment. Guided by 65 years of hands-on, evidence-based conservation, The Nature Conservancy is working globally to provide solutions that balance the dual needs for healthy, productive rivers and low-carbon energy. We aim to create positive, lasting change that ensures people and nature thrive together.

Using our latest science, innovative solutions and collaborative approaches, through our Hydropower by Design (HbD) approach, broadly defined as a comprehensive and system-scale approach to hydropower planning and management that fully integrates other economic priorities and environmental and social issues from the earliest stages to promote sustainability and optimize delivery of benefits, we are identifying realistic development pathways that will keep thousands of kilometers of free-flowing rivers intact and provide clean energy sources to people around the world.

For more information, visit the following resources:

- The Nature Conservancy's Saving Great Rivers Program, <https://www.nature.org/ourinitiatives/habitats/riverslakes/rivers-and-energy.xml?redirect=https-301&src=r.riversandenergy>
- The Power of Rivers: A Business Case, How system-scale planning and management of hydropower can yield economic, financial and environmental benefits, [www.nature.org/powerofrivers](http://www.nature.org/powerofrivers)
- The Power of Rivers: Finding balance between energy and conservation in hydropower development, <https://global.nature.org/content/power-of-rivers-report> Improving Hydropower Outcomes: An Example from Myanmar, <https://global.nature.org/content/improving-hydropower-outcomes-through-system-scale-planning-an-example-from-myanmar>