



**Hydropower
Sustainability**



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

HESG Assessment Fund

Call for Proposals

IHA Sustainability Ltd

9 February 2022



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HESG Assessment Fund 2022-2023

1. Introduction

IHA Sustainability (IHAS), a subsidiary of the International Hydropower Association, is the fiduciary administrator of the Swiss State Secretariat for Economic Affairs (SECO) fund to co-finance the preparation and execution of official Hydropower Environmental, Social and Governance (HESG) assessments for promising sustainable hydropower projects.

2. Purpose of the fund

The HESG Assessment Fund is a contribution to fostering sustainable hydropower in selected target countries (SECO and Swiss Agency for Development and Cooperation (SDC) priority countries with hydropower potential). It aims to increase the number of official HESG assessments and advance the development of climate-aligned sustainable hydropower projects, whether public or private through increasing their chances to access climate/green bond financing.

3. Budget

The sum of 1,000,000 CHF (one million Swiss Francs) will be awarded to co-finance at least 40 (forty) HESG assessments over a 4-year period starting in 2020. The funds will be awarded on a project-by-project basis.

The available funding per project is the lower of 50% of the HESG assessment costs (including preparation) and 25,000 CHF (twenty-five thousand Swiss Francs). The available funding per project may be lowered under subsequent tranches if the demand for assessments is very strong.

4. Scope of the HESG assessments

The HESG assessments will be conducted in an official manner, according to the Hydropower Sustainability Council's Terms & Conditions. Project sponsors will be encouraged to publish the final reports online.

The key output of an HESG assessment is a final report including an Environmental and Social Action Plan. The action plan identifies gaps against good practice and recommends actions to resolve the identified gaps in a proposed timeframe.

The HESG assessment can be done during preparation, implementation or operation stages of the hydropower project.

The funding also covers preparation costs, including pre-assessment visits or post-assessment workshops.

Note: With the launch of the Hydropower Sustainability Standard, IHAS has introduced a process by which Project Proponents can harmonise an HESG assessment to a Standard Certification. Project proponents who wish to apply for Certification against the HS Standard following an HESG Assessment, can do so if an Official HST Harmonisation Request is made by the Project Proponent to the HS Secretariat within three months of the date of the HESG Final Assessment Report. In addition, project proponents will be encouraged to resolve the gaps as suggested in the action plan with a view to qualify the project as a sustainable investment in the eyes of climate/green bond issuers, namely the Climate Bonds Initiative. The HESG Assessment fund co-finances only the assessment not the subsequent certification process.

5. Selection Criteria

Proposals are selected according to the following criteria:

- The project is located in a target country (list provided in Annex 1) – In order to maximise the outreach of HESG assessments, a geographic diversification among the target countries shall be achieved in the selection of projects to be funded;
- The HESG assessment is official, according to the Hydropower Sustainability Council's Terms & Conditions;
- Projects where the HESG assessment is intended to clear the way for access to climate/green bond financing with good chances to succeed and/or projects where the HESG assessment is intended to achieve certification against the Hydropower Sustainability Standard, provided they follow the harmonisation procedure will be given preference;
- The project sponsor demonstrates the need for the assessment through objectives that include, but may not be limited to:
 - Enhance relationship and communication with stakeholders
 - Improve the socio-environmental management of the project
 - Increasing transparency and commitment to sustainability
- The project fits into national and/or regional policies and plans for hydropower project planning, implementation and operations;
- The project sponsor adopts a sustainability perspective to increase benefits to society;
- The project sponsor has a strong track record in and/or is openly committed to hydropower sustainability;
- The costing of the HESG assessment is supported by a detailed budget and a quote from an accredited assessor.
- Project installed capacity;
- Assessment readiness.

Additional notes:

- In order to maximise the outreach of HESG assessments, a project sponsor diversification among the applicants shall be achieved in the selection of projects to be funded.
- The accredited assessors will be contracted by the Project Sponsor without the involvement of IHAS or SECO. IHAS could, however, support the Project Sponsor in liaising with accredited assessors.

6. Submission requirements

Proposals should be submitted, in English, by email to: sustainability@hydropower.org during the period mentioned below.

Following this Call for Proposals, the successful applicants will be notified of their selection. Selection will be subject to the availability of funding.

7. Timing

Proposals will be accepted and reviewed on a rolling basis until the fund is allocated.

8. Procedure

The call and allocation of the HESG Assessment Fund respects the following steps:

1. IHAS launches the Call for Proposals and, if required, provides clarifications to applicants (requests for clarification should be submitted by email to sustainability@hydropower.org);

2. Applicants submit proposals;
3. IHAS reviews proposals and determines a selection of projects to receive funding for HESG assessments;
4. SECO approves the selection
5. IHAS informs applicants of the decision;
6. IHAS and the successful applicants will sign an agreement.

9. Payment schedule

The Contribution will be made available as a lump sum.

The payment shall be made available in two instalments:

Upon submission and acceptance of an invoice, consistent with the estimated assessment costs, for payment at the start of project implementation, according to the approved work plan	60%
Upon submission and acceptance of the final assessment report and evidence of the effective assessment cost	40%

Annex 1 – Target countries for the HESG Assessment Fund (2022-2023)

Projects in the following target countries are eligible to access the HESG Assessment Fund.

SECO priority countries	SDC/SEM priority countries
<ul style="list-style-type: none"> • Albania • Bosnia-Herzegovina • Colombia • Egypt • Ghana • Indonesia • Kyrgyz Republic • North Macedonia • Peru • Serbia • South Africa • Tajikistan • Tunisia • Ukraine • Uzbekistan • Vietnam 	<ul style="list-style-type: none"> • Afghanistan* • Algeria • Armenia • Azerbaijan • Bangladesh • Bolivia • Burundi • Cambodia • Democratic Republic of Congo • Ethiopia • Eswatini • Georgia • Haiti • Honduras • Kenya • Kosovo • Lao People's Democratic Republic • Lesotho • Malawi • Mali* • Moldova • Mongolia • Morocco • Mozambique • Myanmar* • Nepal • Nicaragua • Nigeria • Pakistan • Rwanda • Tanzania • Zambia • Zimbabwe

* The funding from the Government of Switzerland is only available once a democratically elected government is reinstated.

Annex 2 – Proposal template

Applicant

Project sponsor/developer	
Organisation name (public or private)	
Date of application	

Hydropower Project details

Project name	
Country *	
Location	
Installed capacity *	
Purpose of the hydropower project	
Key issues	
Likelihood of accessing climate/green bond financing *	
General description of the project	
The project fits into national and/or regional policies and plans for hydropower project planning, implementation and operations *	

Assessment details

<p>Assessment objectives * (The project sponsor demonstrates the need for the assessment through objectives that include, but may not be limited to:</p> <ul style="list-style-type: none"> • Enhance relationship and communication with stakeholders • Improve the socio-environmental management of the project • Increasing transparency and commitment to sustainability • Harmonisation with the Hydropower Sustainability Standard with the intention to receive certification 	
Assessment planned date *	
Assessment stage	

Intention to publish the final assessment report	
General description of the assessment, including: <ul style="list-style-type: none"> The assessment is official* 	

Project sponsor

General description of the project sponsor, including: <ul style="list-style-type: none"> The project sponsor adopts a sustainability perspective to increase benefits to society * The project sponsor has a strong track record in and/or is openly committed to hydropower sustainability * 	
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Assessment Participants

Accredited Assessor(s)	
Project sponsor	
Single point of contact	
Local support team	
Observer(s)	

Work plan

Please provide the following dates:

Pre-assessment visit (optional)	
Site visit	
Post-assessment workshop (optional)	
Draft report	
Final report	
Publication of the final report (encouraged)	

Detailed Budget*

Total budget	
HESG Assessment Fund requested	
Accredited Assessor(s) costs, including fees and expenses	
Other sources of funding	
Other sources of in-kind contribution	

*Key selection criteria