



## LOCAL BENEFIT SHARING IN LARGE-SCALE WIND AND SOLAR PROJECTS

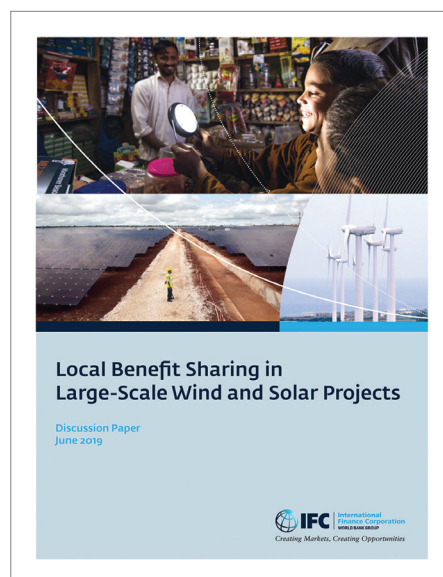
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# LOCAL BENEFIT SHARING IN LARGE-SCALE WIND AND SOLAR PROJECTS

*These are key highlights from the paper “Local Benefit Sharing in Large-Scale Wind and Solar Projects,” providing insights into the unique social challenges and opportunities for wind and solar developers. It highlights lessons and cases of companies in securing and maintaining social license to operate by ensuring that local communities receive benefits from renewables projects.*

Full publication available on [www.CommDev.org](http://www.CommDev.org)



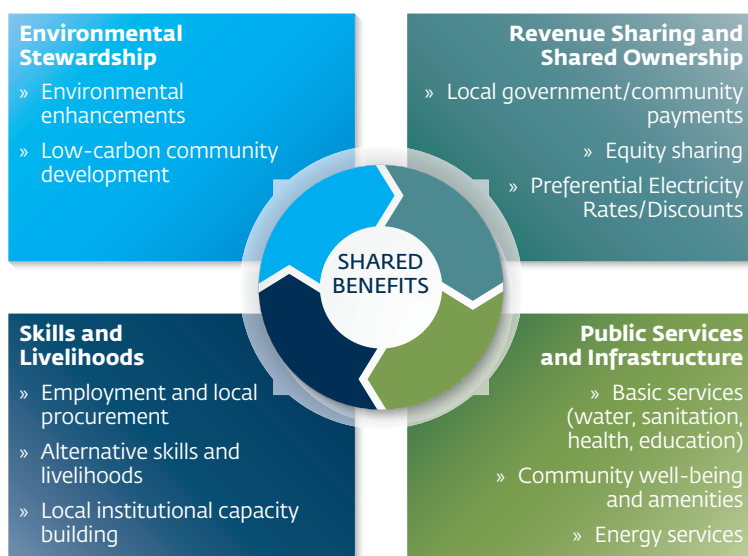
## HOW DO WIND AND SOLAR PROJECTS SHARE BENEFITS WITH COMMUNITIES?

Local benefit sharing in wind and solar projects is crucial to ensure that host and impacted communities receive value from industrial projects located on their lands, in the form of social, economic, and environmental gains. However, there often is a mismatch between expectations for benefits from the host communities and the actual benefits delivered to localities where such developments are sited.

Renewable energy is an increasingly large share of IFC's power business. Over the past five years, IFC has invested in more than 126 renewable energy projects, contributing over \$10 billion in capital in emerging markets around the world. The growth in renewables projects comes with its own set of social risks. Among these: the need to secure large tracts of land for future renewables parks and projects; amplified community expectations about job prospects, particularly for the rising youth population; and the ability of renewable energy projects to provide access to electricity for all.

Wind and solar projects bring important regional and national benefits, but costs are often borne for the most part by the host community. Experience suggests that project acceptance by local communities can be influenced by the extent to which positive benefits are maximized. IFC's paper Local Benefit Sharing in Large-Scale Wind and Solar Projects, offers insights into the unique social challenges and opportunities for wind and solar developers.

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## DEVELOPER AND INDUSTRY EXPERIENCE: LESSONS LEARNED

### Benefit sharing requires commitment from the top

- How do executives and senior leaders view community relations?
- How does an overall organizational structure integrate the community relations function?
- Are there policies and commitments towards community development?

### A good planning approach starts early

- How does a company utilize existing social and environmental studies to plan benefit-sharing?
- How does a company identify and prioritize stakeholders?
- How do benefit sharing activities align with the project cycle & associated risks & opportunities?

### Community engagement is mission-critical

- How does a company engage stakeholders?
- What methods are used to engage stakeholders?

### Aim for inclusion: When distributing benefits consider various groups

- Does a company identify and target representatives of vulnerable/ under-served groups?
- What is done to ensure inclusion of these groups in benefit sharing?

### Transparency & accountability matter, especially during implementation

- What is done for transparency, accountability in planning and implementation of benefit sharing?
- How information on benefit sharing gets generated & shared with local stakeholders?

### Robust monitoring enables mid-course correction & reporting on results

- How does a company measure success?
- Does it make use of SDGs to measure and communicate results?

### Partnerships, industry collaboration, & collective action

- How does a company engage in partnerships and collaborate with others to achieve benefit sharing goals?

## KEY MESSAGES

- Wind and solar developers must sharpen their focus on securing and maintaining public acceptance
- Ensuring that communities share the benefits from a wind and solar project is one aspect of securing and maintaining social license to operate
- Project developers must demonstrate visible benefits to local communities beyond the value to national or regional clean energy agendas.
- Ensuring that tangible benefits flow to local communities needs to be aligned with project fundamentals.
- There is no single, one-size-fits all approach to designing and implementing local benefit-sharing initiatives



Sofie Tesson / IFC

## RENEWABLES: THE BIG PICTURE

# 2,351 GW

Global renewable generation capacity at the end of 2018

Source: IRENA, 2019

# 7.9%

Growth in renewable capacity during 2018

# 171 GW

Increase in global renewable capacity in 2018

# 61%

Share of new renewable capacity installed in Asia in 2018

# 84%

Wind and solar share of new capacity in 2018

# 63%

Share of renewables in net capacity expansion in 2018

## CASE EXAMPLES: DEVELOPER EXPERIENCE



### MULTI-FACETED BENEFIT-SHARING FRAMEWORK

#### **KENYA, Kipeto Wind Project**

- Greenfield 100MW wind farm;
- 5% of the project's net profit dedicated to a community trust;
- Budget for community investment during construction phase;
- Skills building program, prior to construction;
- Ongoing and extensive engagement, including community needs assessment.



### SUSTAINABLE WATER ATM PROGRAMS

#### **INDIA, Hero Future Energies**

- Largescale power production;
- Community needs assessment to establish focus for benefit sharing;
- Solar-powered water ATMs provide clean drinking water (fee-based service);
- Local committee handles day-to-day operational responsibilities;
- Local operators get trained.



### ESG COMMITMENTS IN BUSINESS STRATEGY

#### **AFRICA, Lekela**

- Renewable power generation delivering utility-scale projects in African countries;
- Environmental, Social, and Governance (ESG) strategy at the platform level;
- ESG commitments and targets in several areas: partnering with contractors and employees, empowering communities, protecting the environment.



Read the full publication [here](#)

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