Case studies: Renewable energy & human rights

Finance & banking

Honduras: Agua Zarca Dam impacts indigenous people by Gualcarque River

Country: Honduras	Project name: Agua Zarca
Capacity: 21.3 MW	Companies involved: Project developer: Desarrollos Energéticos (DESA). Contractor: COPRECA (former contractor: Sinohydro). Turbine provider: Voith (partly owned by Siemens). Funders: Central American Bank for Economic Integration (CABEI), Finnfund, FICOHSA, FMO, USAID, COPRECA.

This section briefly summarises key concerns about the projects. See below for companies' responses to those concerns, wherever available: In March 2016, Berta Cáceres, human rights defender and indigenous leader opposed to the Agua Zarca dam, was assassinated. She had been actively leading her community's resistance against Agua Zarca, a dam project which has previously been linked to the killing of Tomás Garcia, another human rights defender, in 2013. Both defenders were leaders of the indigenous Lenca community which alleges that the Agua Zarca dam would significantly impact their livelihoods and that they had not been adequately consulted according to the international standard of free, prior & informed consent. Berta's assassination elicited an outcry from the international community, including calls for foreign investors to withdraw from the project. The Dutch and Finnish development banks have announced that they are suspending their activities pending further investigations into the killing. As of May 2016, two people linked to the project developer, DESA, have been arrested in connection with the killing. The community continues to face security concerns. FMO and Finnfund declared to withdraw from the project, and their exit was finalised in July 2017.

Company responses:

Entities reportedly involved in financing Agua Zarca dam project:

- Central American Bank for Economic Integration (CABEI)
- Finnfund statement & FAQ
- FICOHSA did not respond
- FMO statement & FAQ
- Siemens statement
- USAID statement
- Voith statement

Companies reportedly involved in project development & implementation:

- COPRECA statement (only available in Spanish)
- Desarrollos Energéticos (DESA) did not respond
- <u>Desarrollos Energéticos (DESA) response</u> to questionnaire on renewable energy companies' approach to human rights

Categories: Honduras Hydropower & dam projects Finance & banking Killings Protests Free, prior & informed consent Americas: General

Kenya: Kinangop Wind Park impacts communities in Nyandarua

Country: Kenya	Project name: Kinangop Wind Park
Capacity: 60 MW	Companies involved: Project developer: Funders: Africa Infrastructure Investment Fund II (owned by Old Mutual Investment Group and Macquarie), Norfund.

This section briefly summarises key concerns about the projects: The Kinangop Wind Park was planned to come online by mid-2015, and provide electricity to approximately 150,000 homes by 2018. However, it was cancelled following disputes over land compensation by local farmers and landowners. Fears of forced displacement, environmental and health concerns led to local protests, which left one dead in a confrontation with the police. A lawsuit was filed by locals to stop the project until their questions were answered. Protests made construction impossible, and the developers depleted their funds by February 2015, forcing them to cancel the project.

<u>Equitable Origin</u> argued that had developers embraced community engagement and integrated free, prior, and informed consent into the project, it may not have been cancelled.

Registered under Clean Development Mechanism

Categories: Wind energy Protests Land rights Killings Kenya Finance & banking Africa: General

Mexico: Oaxaca Wind Farms impact indigenous peoples in Oaxaca

Country: Mexico	Project name: Oaxaca wind farms (several projects)
Capacity: N/A (several projects)	Companies involved: Project developers & operators: Acciona, Enel Green Power, Energia Eolica del Sur (formerly Mareña Renovables), Gamesa, Iberdrola, EDF Group, Renovalia, Gas Natural Fenosa (developers), Vestas (wind turbine provider) Investors: PGGM (has since quit the project), Macquarie Bank, Mitsubishi.

This section briefly summarises key concerns about the projects. See below for companies' responses to those concerns, wherever available:

The state of Oaxaca is home to 28 wind farms, with the number still rising. Local communities allege that multinational companies and the federal government did not respect their right to free, prior and informed consent before construction began. In addition, landowners report that they lacked full information and understanding of the leases they signed with wind companies. While some landowners prospered from their leases, other community members, especially those without land titles, complain of deepening inequality in the region. Much of the land on the Isthmus is collectively owned, with some communities claiming that companies didn't conduct proper consultation with indigenous groups. In December 2012, the Indian Law Resource Center filed a complaint on behalf of indigenous communities against one of the largest projects, financed by the Inter-American Development Bank (IABD). A 2016 IADB report found that the Mareña Renovables Wind Power Project (now Eolica del Sur) did not comply with the Bank's Environmental and Safeguards Compliance Policy and Indigenous Peoples Policy. Mareña Renovables did respond to the allegations. A Zapotec group also filed a lawsuit against Eolica del Sur citing that their right to prior consultation had been violated. While the Mexican Supreme Court has initially ruled in favour of the Zapotec community, ordering the temporary suspension of construction work, it eventually allowed the project to go ahead. Similar allegations have led the Zapotec community of Union Hidalgo in Oaxaca to file an OECD complaint against EDF in February 2018. In October 2019, NGO ProDESC sent the company a formal request to comply with the French duty of vigilance law in relation to its activities in Mexico. EDF has responded.

A number of these projects have been linked with human rights concerns, primarily related to <u>rights of indigenous peoples</u>, <u>land rights</u>, <u>lack of adequate consultation</u> and <u>security concerns</u> including intimidation and death threats. Indigenous Ikoots communities hold that their right to free, prior & informed consent has not been respected.

Company responses:

- Developers:
 - Mareña Renovables (now Eólica del Sur) <u>response</u> (Nov 2012)
 - o EDF <u>response</u>
- Wind turbine providers:
 - Vestas <u>response</u> (Nov 2012)
- Energy buyers:
 - o FEMSA response (Nov 2012)
 - Heineken <u>response (Nov</u> 2012)
- Funders & investors:
 - PGGM response (Nov 2012) [PGGM has since quit the project]
 - Macquarie Bank <u>response</u> (Nov 2012)
 - Mitsubishi <u>response (Nov 2012)</u>

Registered under UN Clean
Development Mechanism: Oaxaca I,
Oaxaca II, Oaxaca III, and Oaxaca IV

Further information: <u>Equitable Origin's case study (Jan 2016)</u> provides an overview of human rights concerns and a stakeholder map related to wind farms in Oaxaca.

Categories: Wind energy Mexico Finance & banking Intimidation & threats Death threats Land rights Indigenous peoples Free, prior & informed consent Americas: General

So. Africa: Jeffreys Bay Wind Farm impacts communities in Jeffreys Bay

Country: South Africa	Project name: Jeffreys Bay Wind Farm
Capacity: 138 MW	Companies involved: Operations & management: Globeleq, Siemens. Construction: Murray and Roberts Construction, Consolidated Power Projects. Wind turbine supplier: Siemens. Investors: Globeleq, Old Mutual Life Assurance Co., Thebe Investment Co., Mainstream Renewable Power, Amandla Omoya Trust, Enzani Technologies, Usizo Engineering

Positive Steps:

programs during the COVID19 crisis.

The environmental impact assessment for Jeffreys Bay wind farm included <u>stakeholder consultation</u> as a prerequisite before operations. The consultation emphasised community involvement and included information meetings and open communication. Complaints from the community were assessed by the planning and environmental authorities. Various socio-economic development programmes were set up. Locals were <u>employed</u> to operate and maintain the wind farm. 6% of the wind farm is owned by community <u>Amandla Omoya Trust</u> which will use 80% of its social development budget for educational projects in low-income Port Elizabeth.

Since the inception of the project, the Jeffreys Bay Wind farm has <u>invested in and developed</u> schools, libraries, medical centers and scholarships focused on renewable

Clean Development Mechanism: The project owners are preparing registration of the project as a Clean Development Mechanism (CDM) project under the Kyoto Protocol.

energy sector. Most recently they have supported and facilitated food distribution

Categories: Company advances on human rights South Africa Finance & banking Wind energy Poverty/Development/Economic & social rights: General Africa: General

Taiwan: Yuanli Wind Turbines impact communities in Yuanli

Country: Taiwan	Project name: Yuanli wind turbines
Capacity: 7 (2×3.5 MW) MW	Companies involved: Shalivahana Green Energy Limited

This section briefly summarises key concerns about the projects. See below for companies' responses to those concerns, wherever available: In September 2012, residents of Yuanli Township formed the Yuanli Self-Help Group to raise concerns about a wind turbine construction project by InfraVest. The group alleges that InfraVest did not consult with local residents and that the project would affect their right to health. Residents also alleged that private security officers hired by the company used violence against protesters on 8 June 2013. On 16 June 2013, InfraVest held a mediation meeting with residents opposing the project. However, the two sides failed to reach an agreement, and the company decided to carry on with the project as planned. On 16 June 2013, Yuanli Self-Help Group issued a statement, detailing its demands for InfraVest to stop the project and calling on Standard Chartered to reconsider its investment in InfraVest. InfraVest filed a NT\$10 million (US\$335,000) lawsuit against seven members of the Yuanli Self-Help Organization. InfraVest also stepped up security by having dozens of security guards on site at all time, where they trail, film, guestion and prevent visitors, residents and students from going to the beach and embankment and approaching the construction site. On 25 February 2016, the court gave the final verdict of acquittal.

Company responses:

- InfraVest <u>response</u> (Oct 2013)
- Hi Tan Security response (Oct 2013)
- InfraVest <u>response</u> (Jun 2013) and Standard Chartered <u>response</u> (Jul 2013) over physical & mental health concerns
- Fei-ling Electronic Engineering and Taimon did not respond

Categories: Wind energy Taiwan Health: General (including workplace health & safety) Security companies Finance & banking Protests Free, prior & informed consent Beatings & violence Asia & Pacific: Genera

Turkey: Wind energy project impacts local community in Çeşme

Country: Turkey	Project name: ABK Çeşme Wind
Capacity: 18MW	Companies involved: Project developer: VEGA Ruzgar Enerji (formerly ABK Cesme Res), Consultancy services: Life Enerji, Turbine provider: Nordex, Financiers: DZ Bank, KfW, Euler Hermes Kreditversicherungs-AG

This section briefly summarises key concerns about the projects. See below for companies' responses to those concerns, wherever available: In 2014, ABK Cesme Res (now VEGA Ruzgar Enerji) began construction of the Cesme Wind energy project. However, the project was met with resistance by the local community who claim that the developers did not consult landowners during the planning and certification process.

The community has filed a number of (ongoing) lawsuits against the project relating to land expropriation, the project's license, planning approval and environmental impact assessment at the local, regional and national level, some of which were concluded in favour of the community. However, construction continued and the community maintains that court verdicts have not been implemented. Those opposing the project have reportedly also faced harassment via media and several strategic lawsuits against public participation (SLAPPs) have been filed against them.

In 2015, the German OECD National Contact Point examined a <u>complaint</u> filed against Nordex, the supplier of the turbines and held a mediation session after which the company agreed to improve its due diligence process. In 2019, the community also submitted a <u>complaint</u> to Gold Standard, a carbon offsetting certification program under which the project is <u>registered</u>, claiming that the developer did not adhere to the certification body's standards. Gold Standard has opened a formal investigation, which concluded in March 2020. The <u>investigation</u> found non-conformity issues, including that the project failed to inform Gold Standard of ongoing cases proceedings and did not fully comply with the Gold Standard Stakeholder Consultation requirements. The project's registration status has been suspended.

Company responses & community rejoinders:

Entities reportedly involved in financing ABK Çeşme Wind energy project:

- DZ Bank declined to respond
- Euler Hermes response
- KfW response

Companies reportedly involved in project development and implementation:

- Life Enerji response
- Nordex response
- <u>VEGA Ruzgar Enerji/ABK Cesme Res response</u> & <u>response</u> to community rejoinder

Community rejoinders to company responses on our website:

- Rejoinder to Nordex
- <u>Rejoinder to VEGA Ruzgar Enerji/ABK Cesme Res</u> & <u>communities' reply</u> to 2nd response

Categories: <u>Turkey Wind energy Land rights Environment: General Free, prior & informed consent Finance & banking Protests</u>