JustRE Alliance

Global South Alliance for a Just Transition to Renewable Energy



Community Ownership in Large-Scale Renewable Energy Projects

A Practical Guide for Developers and Operators

Developed by Forum for the Future and the Business and Human Rights Centre (BHRC), part of the Community Authority series for the JustRE Alliance.

FORUM FOR THE FUTURE

Business and Human Rights Centre

Responsible Energy Initiative

1 Introduction

Across the Global South, social resistance is delaying and adding cost to renewable energy deployment.[1] Several projects have emerged demonstrating that community co-ownership can turn resistance into acceptance and genuine partnership. This guide supports developers and investors to explore co-ownership options for their portfolios and is a companion to the taxonomy of community ownership. It aims to support you in building your understanding of the concepts and practical implications, and to navigate key discussions with governments, who play a critical role in creating fit-for-purpose enabling conditions for these models.

Communities living in the vicinity of RE operations have a right to directly benefit from resource development, participate in decision-making, and determine their own priorities in development planning that directly affects them. Many projects will include benefit-sharing agreements, ideally negotiated and determined with the community, in which the ownership of equity stakes (often referred to as "shared ownership") can be an option in a suite of compensation and value sharing mechanisms. However, **financial ownership and decision-making authority are distinct.** A community may hold equity while having limited influence over key decisions. Equally, a community may exercise meaningful authority over project governance without holding significant shares. Both dimensions matter and both can change over time.

"Community ownership", in this context, is often used loosely to denote both "shared ownership" and models in which communities exercise genuine authority over project design and operations.



This guide defines community ownership as decision-making authority: the degree to which a community has the responsibility and capacity to influence, co-determine, or lead decisions at each stage of a project lifecycle.

[1] Refer to Stockholm Environment Institute (SEI) and JustRE Alliance (2026). Assessing the Impact of Social Resistance on the Implementation of Energy Projects in Global South Countries (Available at: https://justre-alliance.org/resource/the-implementation-gap-anticipating-missed-renewable-energy-targets-through-media-sentiment-and-social-resistance-index). Institute for Human Rights and Business (IHRB). The Hidden Bill of Green Conflict. Available at: https://www.ihrb.org/resources/the-hidden-bill-of-green-conflict

2 How Community Ownership Benefits You

Community resistance is one of the most consistent drivers of cost and delays in renewable energy development, yet it remains systematically underweighted in project planning. Across the Global South, poorly managed community engagement and rights-based grievances have stalled projects mid-construction, triggered years of litigation, and impacted an already narrow project margin for value creation.

For example, the $158 million Kinangop Wind Farm in Kenya was effectively abandoned following sustained community resistance over inadequate engagement and land compensation, leaving the developer in costly arbitration. By contrast, the Kipeto Wind Farm, also in Kenya, faced difficult conditions but succeeded where Kinangop did not. The developer invested early in culturally appropriate engagement structures, hiring a Maasai lawyer to represent community interests, building grievance mechanisms grounded in local practice, and developing a benefit-sharing package appropriate for that community. While not perfect, and full of nuance, the project is now operational and working with the local communities rather than against them.

In a sector with low margins and long-term investment time horizons, supporting rights-based community ownership can provide long-term returns, such as:

- Reducing the risk of social conflict, legal challenges, delays, and reputational harm;
- Strengthening project resilience through building mutual trust, viable siting, and local jobs;
- Differentiating developers in competitive public tender processes.

We acknowledge that certain conditions need to be in place both organisationally and in the context of the potential project for these models to be possible. In section 4, we provide an overview of what those conditions are, how to identify them and how to create them for your preferred model.

3 Community Ownership Options

The Authority Dial provides four levels of increasing community authority (from A-Inform to D-Lead) through the different project stages. Beyond demonstrating what are the decision points at each stage, it illustrates the degree to which communities can influence or determine a decision.

Applying the Authority Dial to projects produces categorisations. For example, models that provide an elevated level of authority in specific stages are *"concentrated high authority,"* while models where communities exercise a high degree of influence throughout are *"distributed high authority"* models. Many currently operating models identified in our research are *concentrated low authority* models, with consultation during initial stages.

It can also temporally locate where authority is applied, for example in initial stages of the project ("frontloaded") or in later stages as communities expand their decision-making authority over time ("backloaded"). Explore the categorisations in detail in the taxonomy.

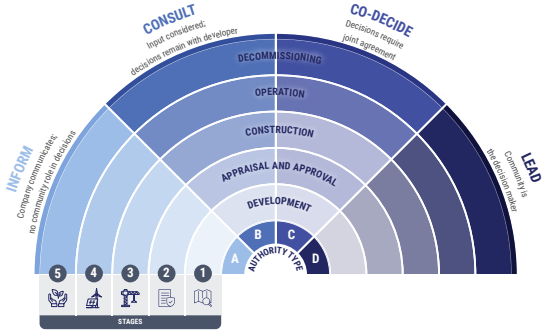
Choosing the right model

There is no universally appropriate model. The goal is not to push every project to the highest authority level at every stage, but to design arrangements that are credible, context-specific, and aligned with community capacity and preferences. The value of these categorisations is to support building the model appropriate to capacities, expectations, and context, and to support communicating the rationale.

Explore how to determine what model might work best for you with our decision-making tool.

Authority Dial

Click here to download



4 Good Practice and Pitfalls to Avoid

The following section provides a high-level overview of good practice during each project lifecycle, alongside common missteps that can escalate or create risk.

Minimum expectations

Per the UN Guiding Principles on Business and Human Rights (UNGPs, 2011), there is a responsibility to respect human rights, as measured by the BHRC Renewable Energy and Human Rights Benchmark. At minimum, this requires meaningful consultation with potentially affected communities. For example, the taxonomy's "Inform" does not satisfy this threshold. For Indigenous Peoples specifically, respect for their right to Free, Prior and Informed Consent (FPIC) is a necessary precondition, not a procedural step. Additionally, local laws must be complied with, for example, South Africa's mandate for community trusts to be established in renewable energy projects, however when local laws do not meet international human rights law standard, the expectation is to meet the highest standard.

The following principles should be foundational to any intervention working with communities:



Rights-based approach: Explicitly recognising individual and collective rights, with gaps in national regulatory frameworks identified and accounted for.



Process matters as much as outcome: Engagement should begin when project design options are still genuinely open and not to validate decisions already made.



Safe and inclusive dialogue: Communities are not monolithic: internal inequalities, excluded voices, and power dynamics shape who participates and whose priorities are reflected. Pay close attention to representation of vulnerable groups, women, and other excluded voices in consultations and decision-making.

Taking this approach also creates value: The more grounded in genuine dialogue your due diligence is, the more likely it is to identify and address social conflict risks before they become material.

Stage-specific tips

STAGE 1: DEVELOPMENT

Working with local experts and rightsholders, ensure a thorough mapping of relevant communities, creating space for dialogue to identify expectations, concerns and territorial priorities before positions have become polarised. Develop a strategy for engaging that builds trust among stakeholders, recognising various levels of power and information. The earlier the engagement, the better.

Distribute this information throughout your organisation and ensure it is understood throughout the project team and leadership – internal buy-in is as important as ensuring buy-in from external counterparts.

STAGE 2: APPRAISAL AND APPROVAL

Ensure consultation, land rights, benefit-sharing, and governance arrangements are clearly documented, including through binding and public agreements.

Develop and communicate a clear rationale and logic for the relationship of each actor to the project, demonstrating how and why they are included in the key stakeholder groups.

STAGE 3: CONSTRUCTION

Ensure that monitoring, grievance, employment, and impact-management processes are proactive, not reactive.

To reach more marginalised or lesser heard voices in the process, conduct regular consultations that are accessible and culturally appropriate.

STAGE 4: OPERATION

Continuing to follow and honour governance and liaison structures established, including a strong emphasis on complaints and reviewing the form and detail of agreements.

Include youth in consultations - communities evolve over the long-time horizons of RE projects, ensures that the relationship with the community and developer evolves with it.

STAGE 5: DECOMMISSIONING

Design for adaptability for decommissioning, keeping different pathways open for decommissioning;

This can include supporting skills programmes for activities post-project, or repowering led by the community, and working with youth development to bring in future voices for the project

Common pitfalls:



Applying a one-size-fits-all approach for the whole of the project lifecycle: Investment into ensuring a well-designed and adaptable approach to engagement and community authority limits the risk of the partnership becoming perceived as no longer fit for purpose and may contribute to social resistance in the long term.



Promising partnership without authority: For example, engaging the community only via a benefit-sharing agreement or equity. Without input on key decisions, the "partnership" is likely to disenfranchise local groups, limit social license to operate and risk overlooking opportunities for community input to support the project.



Assuming the community is not interested in more information: Across lower- and middle-income countries, regulatory environments may provide frameworks over what should be made public and how this should be communicated to the impacted rightsholders. However, defaulting to the minimum for compliance bears risks. Transparency enables accountability and shows authenticity, while opacity obscures good intentions, risks alienating community partners, and could eventually lead to local resistance.



Assuming minimal compliance due to state-led auction process: While these may determine several factors, including location, prior to a company's involvement, our research underscores the importance of developer and state-actors working through the lens of the entire project lifecycle. This means understanding that the community can be involved in far more than just siting. Project developers are encouraged to advocate for adequate reforms to auctions and permitting processes where necessary.

5 Applying the Taxonomy

The following section applies to both existing projects and new projects. Applying the taxonomy requires mapping the degree of community authority (as described in section 2), identifying the model type either already in delivery or planned, assessing if this is the appropriate and desired model, and using the enabling conditions to deliver the desired model.

Supporting questions:

Categorising the model:

- Have we mapped all rightsholders affected by the project (existing or potential), including those not party to original agreements? Have we identified legitimate and/or customary tenure rights-holders who should be represented in discussions?
- Do we have a process for validating that community representatives have a legitimate mandate?
- Can we clearly describe what decisions the community has (or will) influenced, co-determined, or led at each stage so far?
- Does the community share our understanding of what authority they hold at the current stage of the project?
- Can we categorise the model against the Authority Dial and taxonomy classifications and provide rationale for why that model, based on the above questions?

Throughout the project lifecycle:

- Are engagement approaches being updated to reflect the changed nature of the project at its current stage, or are they static?
- Do legal, finance, social performance, and project management teams share a consistent understanding of what community authority currently exists on, or could exist for, this project?
- Does the community currently have access to the governance structures, legal support, and financial expertise needed to exercise the authority they nominally hold or could hold?
- Has the regulatory or policy environment changed since the project was designed or conceived, and does this affect the community's formal rights or recourse mechanisms?
- Do we have sufficient due diligence policies and practices in place to support continuous rights-based engagement?



Full self-assessment checklists for building community ownership in either existing or new projects are available as a companion to this guide. Access them here.

Enabling conditions for community ownership models

Describing what community ownership looks like is only part of the challenge. Moving toward stronger models depends on enabling pathways that need to work in combination.

To support how to think about the enabling conditions, we have distinguished between them as **structural** – policies, practices, and resource flows; **relational** – the quality of interactions and trust between stakeholders and marginalised groups, and **mindset** – beliefs, biases and narratives underpinning any intervention.[2]

Structural:



Information: The infrastructure through which communities can access knowledge, legal representation, and recourse mechanisms, and have a better sense of expectations for each project. This flows both ways, with strong information flows to the developer helping understand local dynamics, including conflict, relationship to local government officials, and environmental factors.



Finance: How communities access financial benefits and participate financially in projects: equity, land leasing, benefit-sharing funds. If equity, the financing pathways to support that. Building the model for revenue and benefit-sharing brings the community into the process and helps them with knowing what is possible, and what makes the project financially unviable.



Policy and government: Governments have a crucial responsibility to create enabling conditions. Government mandates through appropriate regulations and sector standards, incentive schemes, and cultural and environmental protections shape starting conditions. Recognise that the developer, investors, and third parties can play a role in liaising between the community and local and national government, while in aspects of conflict resolution, this may be "inherited" by the developer, and require close collaboration with government officials.



Governance: The architecture that establishes how communities exercise decision-making authority, who they are represented by, and how that authority survives changes in project ownership. These can range from pre-existing indigenous structures to purpose-built partnership structures co-created with the community. The origin and constitution of these governance mechanisms matter as much as the authority they provide, in terms of communities owning it.

[2] This framework for categorising conditions of change is derived from FSG's 2018 "The Water of Systems Change", read more here: https://www.fsg.org/resource/water_of_systems_change/

Relational:

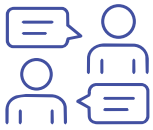


Adopting context-specific approaches: Adopting a deeper approach to stakeholder engagement through understanding dynamics at play. Recognising the histories of dispossession, extractive industries, and state sanctioned violence for defenders of land and human rights. Acting in these contexts requires adopting trauma-informed approaches, rights-based, context-specific, and culturally specific engagement. Company board, management, and staff need to be sufficiently resourced and have sufficient understanding of communities and rights-holders' contexts and cultures, and to be cognisant of gaps in regulatory frameworks.



Trust building: Relationships between actors need to be more robust than the operating environment they are in. The durability of authority cannot be assumed, and arrangements can be dependent on developer senior management goodwill or potentially unenforceable in contexts where the rule of law is weak or inconsistently applied. Building trust informally between your organisation, the community and other stakeholders, and creating formal mechanisms to reinforce this is a key enabler.

Mindset:



Shared value and going beyond Corporate Social Responsibility: Fair and equitable community ownership means recognising how this goes beyond CSR initiatives. It requires adopting organisational commitment to genuine two-way dialogues building accountable, mutually agreed binding authority arrangements that provide direct benefits to communities and are supported by transparent information, genuine partnership, fair negotiation, and respect for community priorities, and local governance systems, forming the basis for long-term and trust-based partnerships.



Further Resources

This brief is one in a series providing developers, communities, financers and others with guidance, practical tools, and inspiration for building community ownership in large-scale renewable energy projects. Other resources include:

- Anthology of Case Studies: Lessons and insights from existing models of community ownership from around the world.
- A Taxonomy of Community Ownership: A research paper providing definitions, categorisations and greater detail on what community ownership and authority means
- Building Community Ownership: Prompts for Developers: Worksheets designed to facilitate applying these models to existing or pipeline projects
- Community Ownership Decision Tree: A simple tool to help you identify what model is right for your project and company. Please note this has been designed using Generative AI and is in prototype stage; refer to other resources to substantiate the results of the tool.
- While this guide is informed by research on shared ownership models with Indigenous Peoples; it does not purport to offer specific recommendations for projects involving Indigenous Peoples. Refer to BHRC's Renewable Energy and Human Rights Benchmark (2025) and the Shared Prosperity Portal with Indigenous Peoples Rights International for further guidance on these specific areas.

Get in touch with Juanita Fonseca at the JustRE Alliance and Neil Walker at Forum for the Future for more information.



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