



**Indigenous Peoples
and the Just Transition**

Exploring shared prosperity:

Indigenous leadership and
partnerships for a just transition



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Foreword

The global climate crisis has made shifting to renewable energy solutions and a zero-carbon economy a necessity. While speed is of the essence, this transition must be, above all, just and fair.

Indigenous Peoples are living on the frontlines of both the climate crisis and energy transition. Covering about a quarter of the Earth's surface, their territories are endowed with the critical minerals and metals required for the transition. A human rights-based approach to the transition is vital to ensure shared prosperity and the sustainable use of these finite resources, in line with Indigenous Peoples' development aspirations. This approach also makes good sense for businesses and states seeking to realize a swift, yet sustainable, transition: it can reduce conflict, build public trust, and help mitigate the legal risks associated with harmful corporate practices.

As this report sets out, a just transition requires systemic changes that promote sustainable consumption patterns, foster equitable access to clean energy, and prioritize the well-being of people and the planet – with full regard to international human rights standards and the UN Guiding Principles on Business and Human Rights. A recent report of the UN Working Group on Business and Human Rights similarly stresses that all businesses should respect human rights and put the prevention of corporate abuse at the heart of the design and delivery of energy transition plans and programs.

This is a tall order but not an impossible one. By prioritizing the rights and leadership of Indigenous Peoples in the transition, the following pages reveal how governments and the private sector can co-create with Indigenous communities renewable energy projects that build shared prosperity and strengthen Indigenous stewardship of nature. The co-ownership models explored here offer a compelling pathway to rights-respecting outcomes.

By embedding respect for Indigenous Peoples' rights – including to free, prior and informed consent – into project planning and implementation, businesses can forge trust-based relationships that lead to more sustainable projects, reduce legal and operational risks, and create long-term value. When anchored in Indigenous knowledge, these models can present new avenues for collaboration and innovation. As the world scales up renewable energy investments, businesses that embrace a rights-based, partnership-driven approach will not only help solve the climate crisis but also position themselves as leaders in the next era of sustainable development.

We must seek not just a transition but a just transition – one that guarantees human dignity and a liveable planet for present and future generations.

Pichamon Yeophantong, Head of Research and Associate Professor at the Centre for Future Defence and National Security, Deakin University; Member of the UN Working Group on Business and Human Rights

Executive summary

To avoid climate catastrophe, renewable energy (RE) capacity must triple in the next six years. This will require vast tracts of land for solar installations and wind farms, plus global annual investment of an [estimated US\\$4.5 trillion](#) by the early 2030s to build them. The private sector plays a critical role in this energy transition – as do [Indigenous Peoples](#) (IPs). Their ancestral ownership covers roughly a quarter of the world's surface, placing IPs at the crossroads of a rapid RE expansion and the need to ensure a transition that recognises them as critical rights holders in this effort. If the opportunity of a just transition is to be realised, private sector and state **commitment to IPs' rights and transformative business models designed to deliver shared prosperity** for and with IPs is non-negotiable. These need to be in alignment with [IPs'](#) self-determined priorities.

This report, jointly produced by Indigenous Peoples' Rights International (IPRI) and the Business & Human Rights Resource Centre (the Resource Centre), explores the case for a RE transition that centres IPs' rights, interests and prosperity, as determined by them, in pursuit of a global transition that is fast because it is fair and sustainable.

Grounded in over 40 interviews with IPs, investors and RE companies from around the world, the report highlights, through practical examples of **benefit-sharing and co-ownership, as well as IPs' lived experience**, the opportunity of these business models, and their challenges and risks. Examples of better practice exist, such as the **Okikendawt Hydro project in Canada** and **Tauhara North II Rotokawa A Geothermal Project in New Zealand**. Approaches like these – anchored in respect for IPs' rights, and with their meaningful participation in decision-making – highlight the benefits for all stakeholders in departing from the abusive approaches of traditional energy and extractive industries: in other words, practices which fuel conflict and imperil public support for rapid RE project deployment and the transition as a whole.

As this report reveals, there is no one-size-fits-all model of benefit-sharing with IPs to ensure a just transition. However, private sector and state commitment to three key Just Energy Transition Principles are essential: shared prosperity, corporate human rights due diligence, and fair negotiations. This requires their commitment to core processes and practices that **recognise IPs as equal partners in negotiation, design and project implementation, ensure respect for their rights, including the right to Free, Prior and Informed Consent (FPIC), and place value on Indigenous knowledge, experience, governance and decision-making processes**. This, in turn, provides a critical foundation for the promise these new models may hold.

Other key take-aways include:

- ▶ True benefit-sharing models provide direct and mutually agreed benefits to IPs, negotiated and set out in binding contracts. These are distinct from Corporate Social Responsibility (CSR) initiatives that seek to obtain social licences to operate through voluntary economic and social in-kind contributions.
- ▶ Benefit-sharing does not replace FPIC or other IPs' rights. Independent of any partnership or agreement, companies and states must ensure the right to FPIC is respected throughout the life cycle of RE projects, including those that include co-ownership, as well as customary land rights and IPs 'no-go zones'. Any benefit-sharing agreement is premised on the collective consent of affected Indigenous Peoples.
- ▶ Examples of co-ownership models in which IPs take equity stakes in RE projects are on the rise globally. This is driven by the interest of some IPs to be part of such projects, the scale of RE ambitions by some governments, companies' and investors' interest in stable and cooperative investment environments, and an increasingly common requirement of IPs participation in public utility tenders for RE developers in some jurisdictions.
- ▶ Interviewees reflected that in order to determine whether to proceed with benefit-sharing negotiations and/or project implementation, IPs must have: the ability to fully assess social and financial risks of the transaction; robust governance and decision-making processes in place; and mechanisms to manage and account for financial inflows, should the project proceed. In many cases, this means access to independent, trusted technical expertise.
- ▶ Establishing effective co-ownership models can be a challenge for the private sector and requires significant up-front time investment to build trust, as well as staff capacitation to engage effectively with potential IPs partners. Company policies and practices must reflect flexibility and commitment to achieving fair and equitable outcomes with IPs partners.
- ▶ Investors in RE projects where IPs' rights may be affected also have a role in ensuring respect for these communities, such as requiring evidence of FPIC from their investee companies and supporting fair and equitable benefit-sharing in their investment decision-making.

Set against these findings is the reality that only a fraction of major RE companies today have policies that align with international standards for IPs' rights and none that include public commitment to benefit-sharing. [IPs human rights defenders around the world also continue to face significant threat and attacks](#) – including from the private sector.

This represents a missed opportunity to date.

Eighty-seven IPs' representatives powerfully articulated this in a recent [Declaration by Indigenous Peoples for a Just Transition](#) that "*recognises and supports the need to end fossil fuel reliance and shift to RE as critical in addressing the climate crisis,*" while calling for companies to "*fairly negotiate and implement equitable benefit-sharing mechanisms, including co-ownership and co-equity models...*" By prioritising inclusivity and IPs' self-determination and decision-making mechanisms, these models have the potential to deliver alignment of IPs' rights and interests with the urgent global imperative of a swift energy transition.

As this report sets out, developing RE projects that deliver shared prosperity at scale will undoubtedly require some re-thinking of traditional, transactional approaches by the private sector and the states that regulate them. There is more work to be done on supporting and learning from existing RE models that include a shared benefit component. But the case studies from regions as diverse as North America, the Pacific, Asia and Africa, and other examples included in this report, suggest these are shifts worth embracing. The [business case](#) for conflict reduction and sustainable, long-term relationships, on the basis of centring the rights of IPs, is one that should be increasingly hard to argue with.

The case for a just transition centring human rights, fair negotiation and shared prosperity is crystal clear. The [legal challenges](#), costs and delays are mounting rapidly in projects where these principles are ignored.

Key recommendations for companies and governments, for fair and equitable benefit-sharing as an element of the just transition:

- ▶ **Create conditions for rights-respecting benefit-sharing:** Fair and equitable benefit-sharing requires supportive measures for IPs, including financial, governance and negotiation support, enabling legal frameworks, capacity building on both sides, and changes to company capacities, policies and culture.
- ▶ **Enhance corporate accountability:** Companies and governments have key responsibilities in ensuring the RE sector delivers rights-respecting outcomes for IPs.
 - ▶ **Companies** involved in RE projects must adopt and implement robust human rights policies that specifically include IPs' rights and ensure robust policy implementation from project to headquarters.
 - ▶ **Governments** should establish regulations requiring FPIC and equitable benefit-sharing as part of mandatory human rights and environmental due diligence (mHREDD) processes.
- ▶ **Create an enabling environment for IPs' participation in RE projects:** Governments and corporations must work to create an enabling environment for IPs' meaningful participation in RE projects, including full ownership and co-ownership, if IPs call for it.
 - ▶ **Companies should:** be flexible and open to different benefit-sharing or co-ownership models, recognising IPs have varying priorities and needs, and acknowledging new governance structures and partnerships with IPs can introduce complexity; dedicate time and resources to create the necessary competencies, capacity and flexibility.
 - ▶ **Governments must:** fulfil their human rights obligations, such as full recognition and implementation of IPs' rights and access to basic services, to prevent benefit-sharing from becoming a tool for coercion; support Independent Power Producers with long-term power purchase agreements and equitable rates, provide direct funding and RE-related capacity building for IPs, and, when appropriate, require minimum IPs equity ownership in projects.

Context and approach

As the world pursues the critical transition away from fossil fuels to renewable energy (RE) in an effort to mitigate the climate crisis, it is increasingly clear this shift will only be fast if it is also fair. At COP28, more than 130 countries pledged to [triple RE capacity](#) globally by 2030. Indigenous Peoples (IPs), who [control](#) an estimated quarter of the world's terrestrial surface – likely coveted grounds for RE project development around the world – stand at the frontline of this expansion. Embedding respect for IPs rights, worldviews and interests into the global transition to RE is non-negotiable. The alternative is rights violations and consequent growing opposition to new energy projects, [legal challenges](#), delays and [rising costs](#); eroding public trust, aggravating social inequity and risks being weaponised by those opposing the transition away from fossil fuels.

There is growing recognition of this reality, and the notion of a rights-respecting transition that centres shared prosperity – that is, a notion of prosperity that is inclusive and diverse, and leads to benefits not primarily for the private sector, but for IPs and other rightsholders. Investor coalition Nature Action 100, for example, recently unveiled a [benchmark](#) including metrics on equitable benefit-sharing with IPs. This is important progress, given the role the private sector will play in RE roll-out: [estimates](#) currently suggest that annual RE investment will increase seven-fold and the installed capacity of renewables-based electricity generation must triple by 2030 – with solar and wind capacity accounting for 85% of that increase. Nevertheless, further scrutiny of the [concept of and precise definitions for rights-respecting benefit-sharing are of critical importance](#) to avoid the risk of greenwashing or adoption of the concept by industry to perpetuate and legitimise “business-as-usual” abusive models.

This report, co-authored by the Indigenous Peoples' Rights International (IPRI) and the Business & Human Rights Resource Centre (the Resource Centre), seeks to advance that conversation by demonstrating the existence of viable alternatives to transactional, extractive business models and highlighting the benefits of this shift, while also identifying challenges and risks related to them. While mutually agreed benefit-sharing modalities can include a wide range of such arrangements, this report focuses explicitly on exploring **IPs equity co-ownership**, which has gained traction across the RE sector in recent years. The analysis draws primarily from experiences shared at the 2024 [Conference on IPs and the Just Transition](#), as well as interviews with 43 individuals representing diverse IPs, Indigenous-led non-government organisations (NGOs) and RE companies, non-Indigenous RE companies, consultants in the RE sector and academics. Quotes from both **Indigenous Peoples** and **other non-IPs individuals** and organisations are included throughout the report. It also draws on academic research, NGO and industry reports, and case studies, some of them developed specifically for this report, recognising the diversity among IPs' contexts and priorities.

Importantly, this report focuses on the concept of benefit-sharing and does not engage in detailed analysis of other rights and safeguards for activities affecting IPs. These include the full legal recognition, protection and respect for IPs' rights, including Indigenous rights to own, use and control their ancestral lands, territories and resources, self-determination, and the right to Free, Prior and Informed Consent (FPIC), full and effective participation in decision-making and the right to be consulted, but also social and environmental impact studies, [zero tolerance for attacks on Indigenous defenders](#), impact mitigation measures, compensation for damages, and grievance mechanisms. We explore these safeguards, which we recognise as essential, but – given the focus of the report – we only do so through the lens of how they relate to benefit-sharing. We recognise that overall improvement of human rights outcomes for IPs in the context of the energy transition will depend on the full implementation of these rights and safeguards, rather than benefit-sharing alone or in isolation from them. These safeguards are subject of many other important studies (see, for example, [SIRGE Coalition's FPIC protocol guide](#) and [Resources on Free, Prior and Informed Consent \(FPIC\) | FPP](#)).

Finally, while the Resource Centre and IPRI acknowledge that [wind and solar energies are the primary mitigation options](#) to transition away from fossil fuels, and the characterisation of hydropower is disputed as a source of RE, the report includes lessons from IPs experience in both hydropower and geothermal energy, mainly to reflect on alternatives to the status quo, such as [successful micro-hydro projects led by IPs](#). Additionally, projects involving land acquisition and resettlement are outside of the scope of this report as they entail significant risk of negative impacts.



Indigenous Peoples in a just energy transition

As 87 IPs' representatives from around the world [stated](#) in April 2024, IPs “recognise and support the need to end fossil fuel reliance and shift to renewable energy as critical in addressing the climate crisis. However, the current trajectory of the energy transition fails to meet the criteria of justice, social equity and environmental sustainability, particularly from the perspectives of IPs' rights and well-being.” Recent years have seen a [documented](#) increase in human rights abuse allegations affecting IPs in the RE sector, including attacks against IPs human rights defenders.

Several RE projects have come under scrutiny, faced delays and, in some cases, been suspended, due to alleged failure to respect IPs' rights. EDF's Guna Sicarú project in Mexico, was [cancelled](#), and Enel [suspended](#) its Windpeshi project in Colombia due to protests and delays. A [study](#) from the United States found approximately a third of RE projects faced opposition, including due to the neglect of Tribal rights.

Corporate attention is growing, but remains insufficient

While RE developers are increasingly adopting human rights policies, they largely fall short on policies to respect IPs' rights: The Resource Centre's [2023 Renewable Energy & Human Rights Benchmark](#) found that of 28 major RE companies assessed, only two have clear policies to respect IPs rights that are aligned with relevant international legal instruments, and no project developer had a public policy to identify potential benefit-sharing or co-ownership agreements (see the [Benchmark methodology](#) for a detailed description of indicators used). Many IPs are at the forefront of [pushing back](#) against human rights abuse in the RE sector, including through litigation, as documented in the [Just Transition Litigation Tracking Tool](#). This underscores a critical gap in the RE sector in respect of current practices, highlighting both a growing business risk and potential for harm to IPs.

In these efforts, IPs are not fighting climate change mitigation – indeed IPs often play leading roles in the fight against the climate crisis and Intergovernmental Panel on Climate Change (IPCC) acknowledges [IPs' knowledge is fundamental to climate justice](#). Rather, they are insisting these efforts respect their rights and ensure they are treated as invaluable partners. Examples of IPs leading RE development are also growing. In [Canada](#), IPs are partners or beneficiaries in approximately 20% of the country's electricity-generating infrastructure and, there are several [projects](#) in Australia in which IPs are equity co-owners.

Benefit-sharing between Indigenous Peoples and companies

Over the past decades, negotiated benefit agreements between the private sector and IPs have been on the rise. These include varying arrangements, such as revenue sharing through community development funds, preferential electricity rates and discounts, local employment, local procurement, development of alternative skills and livelihoods, and equity co-ownership (i.e. a shareholder stake in a company or project). Several of these arrangements may be pursued simultaneously. These examples offer important evidence of whether, and under what conditions, such models are aligned with a rights-based, culturally sensitive approach to benefit-sharing.

Documented [positive impacts](#) include social and economic benefits, the use of revenues to recover ancestral lands and territories, and cultural preservation. While [experiences vary](#) by region, context and capacities of IPs, research points to general problems of unequal negotiating power between IPs and project proponents. This has [resulted](#) in inequitable agreements that restrict rights and access to lands, that use “gag clauses” [prohibiting communities](#) from filing complaints or otherwise resisting projects or that have [caused social conflict](#).

The practice of seeking to offer money or other advantages in exchange for consent often results in attempts to undermine social and cultural cohesion; bribes to community leaders or selective negotiation tactics are contrary to international standards.¹ Looking ahead, these lessons are important components in considering the role of benefit-sharing – and equity co-ownership in particular – between the private sector and IPs in the context of fostering a just energy transition. Better practice is possible (as set out in [Co-ownership and benefit-sharing at the project level](#)) in the context of IPs’ co-ownership and other benefit-sharing for the transition. This details the rights, norms, standards and experiences that should inform these practices today.

¹ Elisa Morgera, *Fair and Equitable Benefit-sharing in International Law*, Oxford University Press, 2024.

The rights of Indigenous Peoples

The rights of IPs are recognised and protected by numerous international and national instruments and most clearly articulated through the [United Nations Declaration on the Rights of IPs](#) (UNDRIP). The [International Labor Organization \(ILO\) Convention 169 on Indigenous and Tribal Peoples](#) and the [Convention on Biological Diversity](#) (CBD) lay out explicit references to benefit-sharing with IPs.



What we want to share here today is: all IPs need to be there, holding the pen, holding your resources and your destiny. We are the only ones who know which way we're going, we are the only ones who will look after our people... We live with very low carbon footprint, as IPs it's not us creating the crisis, we are not recognised as guardians. Our solutions are based on closing the knowledge gap and empowering Pacific for the future, so that we can be an effective and present participant in this transition.

Wikitoria Hepi Te Huia, Tauhara Maori Trust, New Zealand

International law primarily addresses the obligations of states to protect IPs' rights through establishing legal frameworks for benefit-sharing, among other safeguards. However, the former Special Rapporteur on the Rights of IPs has specified that, where national legal frameworks are absent or insufficiently implementing this international requirement, under the UN Guiding Principles on Business and Human Rights, it falls on businesses to do so.

In other words, the [Rapporteur affirms](#) that companies may have to directly implement the right to benefit-sharing, which must be understood as a way to comply with a right, and not as a charitable award or a way to gain a social license to operate. Benefit-sharing should be direct and mutually agreed; indirect benefits which are not mutually agreed cannot be considered to meet the standard of benefit-sharing.² corporate social responsibility approaches that seek to obtain social licenses to operate through voluntary economic and social in-kind contributions cannot be considered fair and equitable benefit-sharing. Benefit-sharing is separate, and independent of compensation, which is [related to negative impacts on IPs' rights](#).



Benefit-sharing agreements in Nepal in the hydropower sector are being wrongly interpreted as FPIC – benefit-sharing cannot replace obtaining FPIC of the concerned Indigenous communities, which gives them greater say in the decision-making.

Prabindra Shakya, Founder/Director of Community Empowerment and Social Justice Network (CEMSOJ) and Convenor of [Asia IPs Network on Extractive Industries and Energy \(AIPNEE\)](#)

² Inter-American Court of Human Rights. (2016). *Case of the Kaliña and Lokono Peoples v. Suriname*, para. 229.

Distinction of Free, Prior and Informed Consent (FPIC) from partnership, agreement and equity ownership

Partnerships and equity ownership are distinct from FPIC. For example, a business may have a partnership with IPs or an Indigenous-owned entity but may not have the consent for projects of the entire IPs or all affected communities. Independently of any partnership or agreement, companies must ensure the right to FPIC is respected at all times.

Where businesses negotiate such benefit-sharing agreements directly, the former Special Rapporteur has [set out that](#) *“the state remains ultimately responsible for any inadequacy in the consultation or negotiation procedures and therefore should employ measures to oversee and evaluate the procedures and their outcomes, and especially to mitigate against power imbalances between the companies and the IPs with which they negotiate.”*

Fair and equitable benefit-sharing

The right to fair and equitable benefit-sharing refers to both procedural dimensions (fair) and substantive dimensions (equity) of justice. Fair procedures require that there is a good-faith dialogue, aimed at developing a genuine partnership with IPs, including mutual understandings across different worldviews and supporting IPs’ agency, rather than top-down approaches to benefit-sharing. Equity requires that all parties treat each other as equals, and that benefit-sharing improves IPs’ choices and capabilities, leading to improved well-being and empowerment. Such benefits may improve IPs’ control over their natural resources or enhance IPs’ capabilities to freely pursue their development priorities and way of life in accordance with their own worldviews.³

³ Elisa Morgera, *Fair and Equitable Benefit-sharing in International Law*, Oxford University Press, 2024.



Domestic regulatory frameworks, norms and standards

While there is growing acceptance of sharing benefits with affected communities, the concept is applied varyingly and often used in ways that are inconsistent with the international human rights and environmental rights frameworks and the principles of social equity. With some exceptions, clear, national regulatory frameworks for benefit-sharing schemes with IPs [are lacking](#) and, therefore, these are usually voluntary practices by companies. Normative standards, such as the policies of International Finance Institutions (IFI), Multilateral Development Bank (MDB) policies and the Equator Principles, refer to benefit-sharing but lack sufficient clarity.

Key standards and guidelines that refer to benefit-sharing

- ▶ The IFC (International Finance Corporation) Performance Standard 7 (IFC PS7) require that projects taking place on Indigenous lands ensure *“fair and equitable sharing of benefits associated with project usage of the resources where the client intends to utilize natural resources that are central to the identity and livelihood of Affected Communities of Indigenous People,”* but does not further define fair and equitable benefit-sharing.
- ▶ The Equator Principles (EP) [Guidance Note: Evaluating Projects with Affected IPs](#) contains vague language, stating that *“[n]either the EP nor IFC PS prescribe the content or scope of agreement, how it should be obtained, or its form.”*
- ▶ The Equitable Origin Certification Standard for [Responsible Energy Development](#) which mentions targets related to benefit-sharing.
- ▶ The UN Global Compact [Reference Guide to the UN Declaration on the Rights of IPs](#) recommends benefit-sharing agreement through genuine partnerships and participation in decision-making, rather than lump sum payments.
- ▶ The [Extractive Industries Transparency Initiative \(EITI\) call to action for the renewable energy sector](#), launched at COP28, calls for transparency and disclosure on social spending, community development and co-ownership agreements.

Where regulation on IPs' benefit-sharing exists, it is more commonly applied solely to the [mining sector](#). However, emerging examples relevant to the RE sector include in Canada, where a [National Benefits-Sharing Framework](#) is being developed. In Ecuador, the right to participate in benefits from projects affecting IPs is guaranteed by the [Constitution](#).

Regulation in some jurisdictions also refer to benefit-sharing with communities, without specific references to IPs. In Nepal, the [Constitution](#) requires, regarding the management and use of natural resources, that the state adopts policies to *“ensure the fair distribution of benefits generated by it by giving the local people the priority and preferential rights.”* In Kenya, the [Community Land Act](#) and the [Natural Resources \(Benefit-Sharing\) Bill](#) contain provisions related to benefit-sharing with communities. In South Africa, the [Electricity Regulations on New Generation Capacity](#) provide the scope for the development of community benefit-sharing agreements in the RE sector.

Indigenous equity co-ownership: an emerging benefit-sharing modality

Examples of IPs' equity participation in the RE sector are increasingly evident, particularly in [Canada](#) and in [Australia](#), but also in the [USA](#) and New Zealand, such as the [Tauhara North II project](#). Such models are less common in the Global South, but some exist, such as [Terra Initiative](#) in Colombia. Models range from minority to majority IPs-owned projects, spanning an [array of structures](#).

Equity Ownership approaches:⁴

- ▶ **General Partnership:** Indigenous Coalition (“Full ownership”)
 - ▶ Project is owned by an Indigenous Coalition (100% Indigenous-owned)
 - ▶ Ownership is equally split between Indigenous partners. This may include **community-based initiatives** which are usually supported by NGOs and/or philanthropic donations

- ▶ **General Partnership:** Indigenous – Commercial developer (“Co-ownership”)
 - ▶ Project is owned by IPs and a commercial developer (50% Indigenous owned; 50% business owned)
 - ▶ Ownership is shared equally between an Indigenous partner and a RE developer with shared decision-making and equally distributed earnings

- ▶ **Limited Partnership** (“Co-ownership”)
 - ▶ Project is owned by an IPs and a commercial developer (25%-50% Indigenous owned; 50%-75% business owned)
 - ▶ Ownership is split between energy developer and IPs. Highly flexible models that can distribute liability and risks

- ▶ **Minority Equity Ownership** (“Co-ownership”)
 - ▶ IPs own equity in the project (25% or less Indigenous-owned; 75% or more business owned)
 - ▶ IPs acquire equity in a project and act as shareholders. IPs may not actively participate in the project's planning or administration

Equity ownership provides access to a share in a company profits (if any) as dividends, as well as other benefits, as set out below. It also carries social and financial risk and necessitates upfront investment.

⁴ Adapted from: “Community Ownership of Renewable Energy: How it Works in Nine Countries (2023)”, Institute for Human Rights and Business and “Remote Energy Project Ownership Models (2021)”, Bledsoe.

In Canada, where such equity ownership is the most common, IPs are [increasingly leading](#) on RE development, supported by policies such as the [British Columbia Clean Energy Act](#), among others, as well as requirements that utilities companies prioritise projects that have IPs' equity participation.⁵ According to a [survey](#) of IPs' involvement in Canada's RE sector, benefits of this participation for IPs were reported to include strengthening of a community's pride, affirmation of IPs' rights and territory, as well as employment, income, local infrastructure, energy literacy and housing improvements. [Reported](#) benefits of IPs' co-ownership for businesses include improved project viability and ESG (environmental, social and governance) ratings, and a lower cost of capital.



When we started doing this work, we were the ones reaching out to First Nations or Indigenous communities saying, “We have this opportunity, we think you might be interested in (...)” Now we have developed this 50-50 co-ownership model, and we are seeing that governments are mandating Indigenous co-ownership in their RE procurement programmes. First Nations are coming to us and asking us to be partners on these projects.

Amy Pellerin, Natural Forces, Canada

The trend towards co-ownership of RE projects between IPs and companies is driven by the interest and willingness of some IPs to be part of such projects, the scale of RE ambitions by some governments, and the growing expectations in public utility companies' tenders for RE developers. These partnerships between the private sector and IPs can, under certain conditions, offer benefits for all sides involved.

This has the potential to contribute to a just energy transition – conditional upon the full, good-faith implementation of safeguards IPs are entitled to, including FPIC and independent impact studies of these projects. If so, it may also have the potential to contribute to IPs' self-determined social, economic and cultural priorities.

Tauhara North II Rotokawa A Geothermal Project, New Zealand

Tauhara Maori Trust has 35% ownership, while state-owned company Mercury has 65%. The Tauhara North II geothermal project aims to generate 35 megawatts of renewable energy through geothermal resources. It involves 35% ownership by local iwi (Māori tribes) and their Tauhara Maori Trust. As part of the agreement with Mercury, the Tauhara North II trust would receive a royalty based on project revenue and the option to buy an initial 25% or 35% equity during project commissioning, with the option to increase ownership to 50% over a defined period of years. In addition, the Trust provides land on a long-term lease basis. *This case was selected and developed in cooperation with the Tauhara Maori Trust. Read the full case study [here](#).*

⁵ While recognizing that Indigenous participation in RE projects is particularly common Canada, it should be noted that this reality exists alongside documented criminalisation and surveillance of Indigenous Peoples in Canada over defending their rights. See for example: *Resisting Extractive Capitalism: The Criminalization of Indigenous Activism* (Natalie Snow & Manjot Naroo, 2023) and the book [Policing Indigenous Movements: Dissent and the Security State](#) (Andrew Crosby & Jeffrey Monaghan, 2018). Moreover, many Canadian companies have a track record of violence and attacks on Indigenous and other human rights defenders overseas – [particularly in Latin America](#).

Terra Initiative, Colombia: Potential for 49% ownership by Arhuaco people, 51%+ by Greenwood

The Terra Initiative will reportedly be “the largest solar project ever developed in partnership with IPs in Latin America.” Located in Sierra Nevada de Santa Marta in Northern Colombia, the project’s aims are “to preserve and expand indigenous culture and biodiversity in one of the most vulnerable and unique areas in the world.” The energy produced will be sold through long-term Power Purchase Agreements over 25 years, at which point, Greenwood energy says the project will be “fully transferred to the community.” For the first 25 years of operations of the solar plants, the community expects to acquire 1,515 acres of land annually, as the leaders have decided to use the income generated to buy lands to protect them from harmful industrial development. The Arhuaco People initiated and co-developed the project with Greenwood Energy and now seek state approval. The project will involve the construction of three new Indigenous villages, for and with over 1,200 Arhuaco Indigenous people.



In the agreement [Greenwood] has with them, we give the Arhuaco Indigenous People the possibility to buy up to 49% of the project. We discourage them from taking on debt for that, because in the end taking on debt, what it will do is that they will have less left, because of the payments of capital and interests – but as they have a track record in getting non-refundable funds, we open that possibility up.

Guido Patrignani, Greenwood Energy – Terra Initiative, Colombia



Photo by Terra Initiative

Niagara Regional Wind Farm, Canada: partnership between Boralex Inc., Enercon Canada Inc. and Six Nations of the Grand River Development Corporation (SNGRDC). SNGRDC has 50% equity ownership

This is a large-scale renewable energy project located in the Niagara Region of Ontario, Canada. It consists of 77 wind turbines with a total capacity of 230 megawatts, generating enough electricity to power approximately 76,000 homes annually. *More information about the project is available in this [Power to the People episode](#).*

Potential benefits of co-ownership for IPs

The Resource Centre has documented an increase in allegations of human rights abuses in the wind, solar, hydropower, biomass and geothermal sectors in recent years. However, if implemented in a rights-respecting manner – including through respect for FPIC and no-go zones by IPs and through the good faith implementation of safeguards IPs are entitled to, as set out [in this report](#) – co-ownership of RE projects between IPs and RE companies can offer benefit, principally through enabling improved participation in decision-making and governance of projects.

Effective IPs participation in decision-making

If properly implemented, co-ownership and co-design can help ensure IPs effectively participate in decision-making regarding project design, development and management. This can enable IPs to incorporate their priorities into the business model and include traditional knowledge in project design, which can lead to more culturally appropriate and environmentally sustainable outcomes. Importantly, IPs have a right to participate in decisions affecting them regardless, and this cannot be conditional on equity co-ownership.



We assume the responsibility of sustaining the Terra Initiative at the traditional and spiritual level, so that everything is achieved.

Mamu Angel Tores, Terra Initiative, Colombia

Holding equity in RE projects can be one way for IPs to exercise their right to control their lands, territories and resources. As the world rushes to mitigate the climate crisis, this may offer a mechanism for IPs to shape such transition – to ensure that it is just, sustainable and equitable.



This is the energy transition that we are all hoping for, and I think it's really inspiring that six Nations are a part of it.

Melina Laboucan Massimo, Founder and Executive director of Sacred Earth Solar, commenting on the Niagara Regional Wind Farm project, Canada

Ensuring initial and ongoing Free, Prior, and Informed Consent (FPIC)

While holding shares in a project does not equate to FPIC, in practice, many co-ownership models in the RE sector begin with the implementation of the right to FPIC. For example, in New Zealand, IPs are involved in the leadership of **Tauhara North II Rotokawa A Geothermal Project**; the board of the IPs Tauhara Trust made sure the rest of its people were fully informed and ensured active and ongoing consent before and during the implementation of the project.



We have our own autonomy, and we control the resources upon and under our land. We have 1,000 owners and 8000 families are connected to those owners. So, we take care of approximately 10,000 people within our trust... We have a co-ownership model with a state-owned enterprise... called Mercury. For our structure, our owners are the heroes of the structure: we don't do anything without their consent – if we don't take our owners with us, we are not going anywhere... The journey is for all of us: if we can't take our people with us, then what's the point of going anywhere... We are a board of seven and we don't do anything without the consent of our people: they are our owners, they sit at the top of the pyramid – and if they say no, we stop.

Wikitoria Hepi Te Huia, Tauhara Maori Trust, New Zealand, UNPFII23

Economic benefits

Co-ownership can enable IPs to participate in profits generated by projects, where they are successful. Examples below demonstrate this revenue can then be reinvested in line with IPs' social, cultural and economic priorities.



Some people connect their trust to money; we understand our wealth is in our social context and in our environment. If our people aren't wealthy, the money we generate from that resource has really no value. It's one thing to be rich in money and poor in every other sense. We are focused on our social and environmental context because our people deserve it... [Our initial investment] happened in 2008: we went from nothing, to now having 17 businesses. We have geothermal generation, but from that we also have tourism, a food strategy, a social strategy, education strategy, as well as investment strategy. In a short time, we were able to build these many enterprises for the betterment of our people. Who is this resource for/benefit for? It's only for our people, it is about lifting our people up and being more self-determined in the journey that we all take.

Wikitoria Hepi Te Huia, Tauhara Maori Trust, New Zealand, UNPFII23

Cultural preservation

IPs bring valuable traditional and cultural knowledge to the development and management of RE projects, which can enhance project environmental sustainability and ensure cultural values are respected.



We designed the transmission line of the first site of the project with our internal engineers and external contractors and, as we had agreed with them (Arhuaco Indigenous People), we sent a delegation of Mamus (spiritual leaders) to ensure that no sacred sites were affected. They returned with a comprehensive report with a proposed route of the transmission line. Interestingly, this reduced the cost of the transmission line by 20% because due to their traditional knowledge and vision, they could intuitively calculate more efficiently than a large team of engineers.

Guido Patrignani, Greenwood Energy – Terra Initiative, Colombia

Mutually respectful relationships

The establishment of co-ownership and shared governance mechanisms creates incentives for both parties to ensure long-term sustainability and stability of projects. Co-ownership can foster a more collaborative relationship between IPs and RE companies, leading to increased trust and better communication, which can foster smoother project implementation.



A lot of risk mitigation as we went through this process... but eventually you see us here today, wind turbines are turning, and we are extremely satisfied with the partnership we struck.

Matt Jamieson, Six Nations Development Corporation, [Niagara Regional Wind Farm, Canada](#)



Indigenous Peoples and the Just Transition conference, 2024

Potential risks of co-ownership for IPs

While every context is different, evidence shows that, while some projects have led to rights-respecting outcomes as set out above, this approach to benefit-sharing is not without significant risk for IPs.

Social risks

Co-ownership will not necessarily lead to other safeguards, as mentioned in [Context and approach](#), such as respect for FPIC, independent impact studies, redress and compensation measures. IPs' equity participation does not automatically indicate FPIC, as the IPs equity-owner may not necessarily represent the decision-making of the IPs on whose land projects are taking place. [Examples also exist](#) of IPs purchasing equity in a project that was imposed on them as a way to seek to influence the design and operation of those projects, which means FPIC was clearly not there. There is a risk that companies or governments may promote co-ownership as a way to “divide and conquer,” pressure individual IPs communities or sub-groups to participate in a project they have not collectively consented to, or to manufacture consent by selling equity to select entities that do not have authority to give consent on behalf of the impacted IPs.

Where IPs chose to pursue co-ownership agreements in RE projects, lack of expertise in technical and managerial aspects may hinder fair participation in negotiations and decision-making, leading to inequitable and unfair agreements. Conflicts may also arise from divergences between community values and commercial objectives, especially if agreements are breached, benefits are not realised, or companies act in bad faith, or when negative project impacts ultimately outweigh the benefits. Moreover, disagreements within IPs about the project or its impacts could lead to internal tensions, particularly if decision-making structures are unclear or lack legitimacy, which can result in inadequate processes, outcomes, and increased conflict.



The Arhuaco People have numerous university professionals, but the vast majority are focused on law, political science and social sciences in general – all subjects related to what they need. They don't have electrical engineers or business administrators, at least not in volume, because what they need most now is to defend themselves with laws before the courts, to defend their territory. Now, since the development of Terra, they are going to need engineers, business administrators and economists, and they already have that very much in mind.

Guido Patrignani, Greenwood Energy – Terra Initiative, Colombia

Financial risks

Equity co-ownership in RE projects does not guarantee benefits and financial returns [cannot be guaranteed](#). Initial investment required for IPs to be involved as co-owners are often substantial, posing financial risks, particularly if they take on debt since the expected investment returns may not be realised. Moreover, income from RE projects can be unpredictable due to market and operational variables. It is also important to note it may take decades until there is return on investment.



It was a 400-million-dollar project – at first, we had a 25% stake in it. At the time, we went to our owners and asked them if we could go into this project with Mercury. Some said no, but in their own time they thought, “Well, why not? We have nothing to lose. We have land, we have no money, but we have a very strong resource.” With their consent, we went ahead. We had no money when we entered the project: we had to find 100 million dollars, 25% stake in the business that we possibly should not have been able to participate in. Through the banks, we were able to. We put at risk the 25%, and if we defaulted on it, the bank would have taken the 25%. It was through debt that we were able to participate.

Wikitoria Hepi Te Huia, Tauhara Maori Trust, New Zealand, at the UNPFII23

Potential benefits and risks of co-ownership for the non-IPs RE developers

From the perspective of RE companies, co-ownership can lead to higher levels of local support of a project through FPIC – although this cannot be assumed to be a given.



We have the right to veto certain parts of the business: if it impacts on our social, economic and cultural imperatives, we have the right to veto. It’s all written into our commercial agreements, as well as resource consent. Our partners can’t go anywhere or do anything, unless they comply with our social imperatives. If there is a breach in the social imperatives, they have to stop: and we impose it on them.

Wikitoria Hepi Te Huia, Tauhara Maori Trust, New Zealand, at the UNPFII23

Nevertheless, it can mean that projects help contribute to improved human rights outcomes through improved participation in decision-making, compared to the status quo and, therefore, can lead to long-term, trust-based relationships, and more stable and successful projects.



Boralex [has been working] with Six nations over a number of years – their community support and our technical and commercial expertise combined allow us to make really big interesting happen and the Niagara regional wind farm is a great example of that.

Marc Weatherill, Boralex, Niagara Regional Wind Farm, Canada

On the other hand, co-ownership agreements can lead to additional complexity, related to more complex governance structure and learning decision-making processes with IPs, leading to a need for dedicated investments and planning, although such investments can reduce costs arising at later stages. While both sides can benefit from the exchange of different knowledge and perspectives, there can also be potential for misalignment between corporate goals and IPs' values or priorities, and risk of cultural misunderstandings, co-optation or insensitivity.



The exploration of co-ownership models [entails exploring the] governance complexity of co-ownership models. Most of our projects are 100% owned. If we bring in a co-owner, the governance complexity increases. Companies are used to this model if it is another company... But if a community is the co-owner, it becomes more complex.

Maja de Vibe, Statkraft

From the examples above, it is evident co-ownership models can lead to tangible benefits for IPs and the companies involved under some conditions, but also presents challenges and risks. Those can be mitigated if critical enabling conditions are in place.



Enabling conditions for fair and equitable benefit-sharing

Given the diversity of experiences of IPs across the world, this section provides general insights regarding common challenges and enabling conditions in relation to fair and equitable benefit-sharing, including equity ownership models. It focuses on lessons learnt and better practices in identifying potential for and implementing benefit-sharing in general, with a specific focus on equity co-ownership agreements with IPs, recognising there is no one size fits all approach. It should not be understood as a guide for project development with IPs as that would require discussion of other safeguards, as discussed in [Context and approach](#). As mentioned above, improvement of human rights outcomes for IPs in the context of the energy transition will depend on the full implementation of these safeguards, not just benefit-sharing.

Currently, some IPs are pursuing their own RE projects or equity co-ownership in the exercise of their self-determination. Other IPs may prefer to have intact lands, and there are also IPs in voluntary isolation, whose right to remain so must be respected.



One of main priorities is to defend, and primarily, to recover lands and territories, the just transition had not been something we thought about until we were affected by a hydro project.

Alexis Grefa, Jóvenes Amazónicos, Ecuador

Where IPs freely choose to explore or engage with benefit-sharing and equity co-ownership mechanisms, the onus is on the states to ensure conditions for their full and effective participation in decision-making, including by women and youth, FPIC and for fair and equitable benefit-sharing. In doing so, as set out above, IPs may lack the organisational and technical capacity and resources to fairly participate in and negotiate benefit-sharing agreements. Existing decision-making systems may not be suitable for major or large-scale projects; hence the need for measures to redress any power asymmetries, ensure capacity-building and sufficient financial resources.

In this context, important enabling conditions include:

- ▶ IPs' governance and decision-making capacity adequate to the size, scope, scale, nature and complexity of projects and take into account the meaningful participation of Indigenous women, youth and other marginalised groups. Tools like the [FPIC Protocol Guide](#) help ensure decisions protect collective rights and priorities; and proactive support by governments and companies for development and use of FPIC protocols is essential.
- ▶ IPs' access to competent and experienced negotiators and technical experts that they can trust, to address any negotiating power and/or information asymmetries, in addition to any advisors IPs may have.
- ▶ Equitable participation in FPIC processes, decision-making, negotiation and in RE projects themselves requires access to significant financial resources. The [Declaration of 87 IPs' participants in the 'IPs and the Just Transition' Conference](#), calls for “*direct, adequate and flexible funding, including access to climate financing mechanisms, and technical and legal capacity-building support to empower IPs to shape their own present and future in RE development.*”
- ▶ Established mechanism in place for receiving, managing, investing or distributing financial resources, as well as internal accountability mechanisms.

These elements are explored in more detail [later in the report](#). However, they must also be central to policymaking by the state and reflected in the approaches of companies and financial institutions to pursuing benefit-sharing opportunities with IPs. This section sets out in detail those requirements of both states and the private sector to ensure these conditions are achieved in planning, consent, design and operational stages of RE projects.



When it comes to internal (success) factors of the communities, one of the primary ones is the organisation of the community, and we do not work in communities that are divided, or in which the majority of the community members are not in agreement or willing to work on projects.

Andrea Rivera, [Colectivo Madreselva](#), Guatemala



It seems to make a big difference when some of that initial investment goes into [capacity-building] one or more individuals in the community, and we really promote that at ICE (Indigenous Clean Energy) as being an essential ingredient... There are plenty of projects out there that effectively have no internal [Indigenous] team, and those arrangements are less likely to benefit the Indigenous partner in an equitable way... Or the project doesn't move forward at some stage. At some stage the community says, “Who are these outsiders?” And they shut it down.

James Jenkins, [Indigenous Clean Energy \(ICE\)](#), Canada

Onus on the state

Recognition and implementation of IPs' rights

A pre-condition for just and equitable benefit-sharing is for IPs to be recognised as IPs and for their rights to be recognised, respected and protected. In some countries, there is a lack of formal recognition in domestic legislation, or IPs are recognised as minorities, ethnic groups or vulnerable communities, overlooking their [collective and specific rights](#) to self-determination, autonomy, self-government and to their traditional lands, territories and resources. The full implementation and protection of IPs' rights are fundamental for enabling fair and equitable benefit-sharing. The lack of protection of these rights may lead IPs to negotiate a particular outcome because they feel they had no other choice, which would be contrary to FPIC and fair and equitable benefit-sharing.



One of the main priorities is for the minimum standards laid out in UNDRIP to be implemented for IPs' rights to be recognised.

Aliou Mustafa, IPs & Rural Development Association, Cameroon

Furthermore, while IPs' rights may be legally recognised at the national level, some groups of IPs may not be recognised as such and [land rights](#) may be inadequately implemented at the local level. Problems may arise where land titling has been allocated individually rather than collectively, only for limited parts of a traditional territory, or arbitrarily imposed boundaries that undermine existing land tenure systems and could lead to groups of IPs risk being excluded from decision-making, FPIC and benefit-sharing.



We need a better Indigenous rights and human rights approach to how we discuss RE development, but until our country fully respects and implements IPs' rights as a whole, as a standard for all decision-making, we are going to continue having these issues (negative impacts on Indigenous rights and territories).

Indigenous leader from the USA



Photo by Terra Initiative

Clear standards for benefit-sharing

The absence of clear regulatory frameworks and business standards poses challenges for both companies and IPs. On the one hand, it may result in a lack of incentives for businesses to pursue fair and equitable benefit-sharing arrangements. For IPs, the lack of legal frameworks regarding benefit-sharing requirements may allow business to take advantage of significant power asymmetries to the detriment of IPs. Moreover, because agreements between the private sector and IPs tend to include confidentiality clauses, it can be difficult for both IPs and companies to learn from other agreements, develop understanding of best practice, and ascertain whether their agreements are aligned.



I have been trying to find the Canadian agreements, because I would like to see what they look like, how they are written, but I can't find them because they are confidential... We need to see examples; what do these shared prosperity or benefit-sharing deals actually look like?

Kristin Tallbo, business and human rights expert in the renewable energy sector

Specific regulatory measures

Measures to enable fair and equitable benefit-sharing, which should be developed consultation with IPs, may include:

- ▶ Mandatory human rights due diligence, social and environmental safeguards, FPIC, benefit-sharing requirements, and effective and accessible grievance mechanisms, ensuring safe environments for complainants and human rights defenders.
- ▶ Full and effective participation of IPs (including Indigenous women and youth) in national or sub-national energy policy making to enable them to influence the locations, size, scale, scope and nature of RE production, transmission and distribution, and respect for no-go zones, such as sacred sites, livelihood areas and other critical areas.
- ▶ Provision of access to financial and technical assistance by states to IPs, as laid out in UNDRIP. The [Colombian Constitution](#), for example, provides financial resources to all departments, districts, municipalities, as well as 'Indigenous territorial entities'.
- ▶ Policies to direct funding to IPs' organisations or networks to engage with RE projects and build capacity. In Australia, the First Nations Clean Energy Network has compiled [Finance and Funding Opportunities](#) for First Nations to access funding for RE projects. In Canada, a [loan guarantee program](#) has been developed for IPs.
- ▶ Mandatory transparency of agreements (or elements thereof) to enable IPs and businesses to identify best practice, and to prevent inequitable agreements that bar IPs from speaking out or accessing grievance mechanisms (e.g. the [Simon Fraser Impact Benefit Agreement Database](#)).
- ▶ Development of [adequate implementing institutions](#), employing well-trained officials, adequate funding, as well as oversight mechanisms for the above-mentioned policies.

Such regulation should give due consideration to specific context, including any regional human rights jurisprudence. The Inter-American Court of Human Rights has stated that *“the obligation to consult is the responsibility of the state; therefore, the planning and executing of the consultation process is not an obligation that can be avoided by delegating it to a private company or to third parties.”*

Examples of regulation related to co-ownership

As set out above, while examples of regulatory frameworks with specific consideration of IPs' co-ownership are limited, existing examples provide important lessons on the use of regulation to support or undermine IPs' rights in the context of co-ownership and the burgeoning RE sector.

In [Canada](#), the number of IPs-owned, co-owned or beneficiary RE projects has surged since the early 2000s. While the reasons for this are [complex and multifaceted](#), provincial policy and legal frameworks, such as the BC Remote Communities Program, which provided funding and support to enhance energy sustainability for IPs, and the Ontario Green Energy and Economy Act and the BC Independent Power Producers (IPP) Program, which respectively enabled IPs' communities to participate in RE projects in these jurisdictions, have contributed to this momentum. Other noteworthy policy examples include those that have reduced barriers for IPs' participation in and benefit from the energy transition as IPPs, and those that encourage IPs' equity ownership in public utilities tenders. For example, a [Call for Request for Proposals](#) by BC Hydro in Canada requires a minimum of 25% First Nations equity ownership.

Enabling legislation, aiming to facilitate IPs' participation in RE projects, exists or is being developed in other countries as well:

Community Energy Decree in Colombia

The Community Energy [Decree 2236](#) in Colombia seeks to promote community participation in RE production and value chain. It promotes the provision of public funding for IPs and communities, and other communities for investment, operation and maintenance of RE infrastructure. Alongside the Decree, the Colombian Government has developed a platform to register for developing such projects, as well as a public [database](#) with info about energy potential in different parts of Colombia.

Australia First Nations (FNs) Clean Energy Strategy

The Australian Government is developing the [First Nations Clean Energy Strategy](#), with the aim of enabling FNs participation in RE policies and programmes. In developing the Strategy, the Government held various regional roundtables with FNs, multiple webinars, an invitation for views on a consultation paper, as well as strategic engagements with FNs, communities, governments and industry. Many of the results of such consultations and engagements have been made publicly available through the website of the Australian Energy and Climate Change Ministerial Council.

On the other hand, regulations and regulatory bodies charged with their implementation can also prevent IPs' ownership from advancing. For example, in the Isthmus of Tehuantepec in **Mexico**, significant opposition to wind farms has emerged, due to human rights violations and environmental impacts. In 2009, the Assembly in Defense of the Land and Territory of the IPs in the Isthmus of Tehuantepec and other organisations started discussing alternatives. Together with the non-profit Yansa, they developed plans to develop community wind farms, which would have similar scale to existing models, but would be different in terms of ownership, revenue distribution and decision-making processes. To obtain construction and operation permits, the project needed to comply with the government's requirements and participate in the 2012 call for tender. However, the Federal Electricity Commission (CFE) dismissed the project, arguing that the Community Interest Company was not an existing legal entity in Mexico pursuant to regulatory requirements. Instead, the project was awarded to Enel Green Power.



In Mexico, licensing regulations for renewable energy projects create significant barriers to the participation of IPs. These regulations, along with the complexity of land tenure, severely limit the ability of communities to develop projects with more than 0.5 MW of installed capacity. This reinforces an extractivist model in which large corporations often exploit resources in IPs' territories without the full and effective participation of IPs and their communities.

It is essential to recognise that the rights of IPs, including the right to FPIC, are protected under both national and international law. In Mexico, these rights are enshrined in the Political Constitution of the United Mexican States, as well as in international instruments such as ILO Convention 169 and the UNDRIP.

Free, prior and informed consent is a vital right that ensures IPs and their communities can make decisions regarding the use of their territories, lands and resources, thus guaranteeing their participation and respecting their self-determination.

Working with IPs and communities in the use and development of their resources, such as solar energy, presents an opportunity to promote “buen vivir” (good living). By involving IPs and communities in all stages of plans, programmes and projects and securing their consent, shared prosperity models can be developed that respect their rights and contribute to the economic, social and cultural well-being of the regions where they are implemented, moving toward a just energy transition.

Cecilio Solis Librado, CIELO



To implement mini-hydroelectric projects, it is essential to obtain the consent of the communities; community organisation is very important. The communities in the Zona Reina have been neglected by the Guatemalan state for years and overlooked by municipal authorities. This neglect, which affects their basic needs such as education, health and roads, is exploited by large companies that come in to offer these services in exchange for exploiting their territory, sometimes causing conflict within the communities.

Isabel Cuxé, [Colectivo Madreselva](#), Guatemala

Benefit-sharing regulation must not seek to replace the state's own obligations to protect, respect and fulfil the human rights of IPs, nor make access to rights and social services conditional on accepting projects or signing benefit-sharing agreements.

Benefit-sharing mechanisms and/or equity co-ownership mechanisms may not be adequate, appropriate or desired everywhere. In such contexts, alternative models must be explored, such as community-led projects and mini-grids. Such models have been advanced by organisations like [Colectivo Madreselva](#), [Native Renewables](#), [TONIBUNG](#), the [Right Energy Partnership with Indigenous Peoples](#) and others.

IPs-led RE projects, solidarity and skill-sharing between India and Malaysia

Right Energy Partnership Arunachal Pradesh is an IPs-led initiative in India, aimed at empowering the Adi and Idu Mishmi tribes of the Siang and Dibang valleys through community-driven renewable energy projects. The initiative focuses on supporting micro-hydro systems in IPs' villages, enabling self-determined development through culturally appropriate RE management and development, while protecting cultural rights and local biodiversity from threats posed by large-scale hydropower projects. The project involves a coalition of local civil society members, including women and youth, trained in Malaysia by TONIBUNG, an IPs non-profit specialising in sustainable rural electrification. In July 2024, a training programme covered community engagement strategies, feasibility studies for micro-hydro systems, and technical aspects of system design equipping participants with skills for future implementation.



Indigenous-led projects exemplify a shared prosperity model where our communities thrive by harnessing our knowledge and resources, ensuring that the benefits of renewable energy are felt by all, fostering resilience, empowerment, and a sustainable future for generations to come.

Adrian Lasimbang, Executive Director, Right Energy Partnership with Indigenous Peoples

Role of the private sector

Renewable energy companies

The private sector also has a critical role to play in upholding and promoting the core enabling conditions that can facilitate fair and equitable benefit-sharing.

Policies

RE companies must first and foremost have policies, with board oversight, to respect IPs' rights, and to only proceed with projects once (and only if) FPIC is there, regardless of government position, legal recognition of IPs and of formal land title. To enable free and fair negotiations, companies should also adopt a zero-tolerance approach on attacks against IPs, environmental and human rights defenders, in alignment with the Guidance of the UN Working Group on Business and Human Rights [Guidance on Human Rights Defenders](#) and civil society [recommendations](#).

Company policies should also commit to implement or facilitate fair and equitable benefit-sharing, including, where appropriate, equity co-ownership models, through fair procedures. This should include co-identifying benefits through genuine inter-cultural dialogue with IPs, giving due consideration to their worldviews, priorities and customary laws. This could include policies to offer support for IPs, where requested, to fund participation in FPIC processes, accessing independent technical and expert advice and conducting their own independent impact assessments. Such policies, however, should not distract from, undermine or replace the proper implementation of the essential safeguards mentioned [earlier in this report](#).

Due diligence policies in relation to selection of other business partners are also essential. These should seek to prevent local actors, such as consultancy firms, local government agencies and joint venture partners, from using coercive tactics such as bribery or exerting undue influence over individual community members to get project approval or retaliation against those speaking out against projects. Such policies should also encourage positive practices by giving preferential treatment to business partners that contribute to benefits for IPs. All these policies must be consistently implemented and monitored.



Culture, values and practice

While corporate policy is an essential first step in helping to support enabling conditions for IPs participation in benefit-sharing, it must be bolstered by strong adherence in practice, and a corporate culture that values IPs' partnership, knowledge and genuine participation. Better practice exists, as set out below, but examples are numerous of companies employing a top-down approach, disregarding the agency of affected IPs. Too often, project developers see IPs as an obstacle or enemy. This can lead to coercion, manipulation, bribery, stigmatisation and criminalisation of IPs, as documented in IPRI and the Resource Centre's 2022 [Protector not Prisoner](#) report.



The whole risk-based model frames you as a community member as a risk to their projects. So, the developers and their consultants work very closely together to limit information and to co-opt local leaders or local people in favour of the project... This can be very damaging to communities because some people may not want the project and they will basically be framed as a risk, an enemy to the project, and this leads to more risk to human rights defenders.

Eddie Smyth, Intersocial Consulting



Our four values are... flexibility, commitment, honesty and compassion. We know that First Nations Indigenous communities have different barriers than we do as a private company. What we have found is that applying those values has been what has led to the success of these projects... We have 19 [Indigenous] partners in eight projects, representing 113 MW of RE. In some of the projects, our partners had more equity to invest and wanted a larger ownership piece, so they ended up getting more. 50%-50% is our preference because it's equal standing, but in some cases, where our partners wanted more, we were flexible and they took on more... In some cases, for our [Indigenous] partners, it was the first time working on these types of projects. They didn't want to invest that much equity and wanted to be minority owners... We really listen to our partners and try to find a flexible solution to how much they are ready to invest in projects of this type, knowing they can be higher risk projects, especially early on in early development stage.

Amy Pellerin, Natural Forces, Canada

Companies must also commit to sufficient internal resourcing, capacity and time towards implementing strong policies. This should include ensuring proper internal skills (or access to external experience) on IPs' consultation, engagement and relationship building. Transparency on policy implementation and proper guidance for staff, such as through creation and publishing of detailed Standard Operating Procedures (SOPs) on FPIC, is essential.



How do you make [co-ownership projects] scalable? How do you make it administratively efficient if you bring in a business partner? Many of the bottlenecks are on the inside: administrative, financial, etc.

Adele Tharani, Ørsted

Financial institutions

Investors, banks, insurance companies providing finance to RE projects that involve IPs' benefit-sharing, and particularly co-ownership arrangements, should go beyond the minimum standard of FPIC and require that the procedures for negotiating agreements are fair and the benefits are substantive. Investors can also require evidence of FPIC and fair and equitable benefit-sharing for project-specific investments or transactions. Impact investors and funds can set targets to support fair and equitable benefit-sharing or to invest in projects with Indigenous co-ownership.

Denham Capital Management policy

Denham Capital Management, a global energy transition Private Equity investment firm, adopted a [Responsible Investment Policy](#) that requires evidence of FPIC where an investment may impact IPs. The policy also expects companies to develop and implement community development plans to benefit local communities, which may include health, education and local environmental initiatives.



Indigenous Peoples' epistemologies and worldviews are not incompatible with the energy transition, contrary to narratives... Historical investment in IPs' territories has been predatory, harmful and extractive. Investors need to build capacity in order to understand and work through the lens of reciprocity. Journey will require vulnerability which is often perceived as risk.

Paul Lacerte, OBC, Founding Managing Partner of [Raven Indigenous Capital Partners](#), first Indigenous-owned financial intermediary in Canada

Allianz ESG policy

Allianz, one of the world's major insurance companies, has adopted a [Sustainability Integration Framework](#) to assess risks to local communities, including "absence of a benefit-sharing agreement or compensation," and "FPIC of impacted parties not obtained." While the policy does not reference IPs, it highlights the increasing attention to FPIC, compensation and benefit-sharing.

Co-ownership and benefit-sharing at the project level

This section focuses on lessons learnt and better practices in identifying potential for and implementing benefit-sharing in general, with a specific focus on equity co-ownership agreements with IPs, recognising there is no one size fits all approach. It should not be understood as a guide for project development with IPs, as that would require discussion of other safeguards, as mentioned in the [first part of the report](#).

As mentioned above, projects involving land acquisition and resettlement are outside of the scope of this section as they entail significant risk of negative impacts. For such projects, please refer to existing guidance, such as the [FELA Declaration](#).

When should projects and negotiations regarding benefit-sharing not proceed?

Where non-IPs companies are project proponents, identification of pre-conditions for good-faith consultation to take place to guarantee respect for IPs' rights is an essential first step. If such conditions do not exist, the proposed projects should not proceed. While non-exhaustive, the following list of considerations is an important starting point:

- ▶ State or others act in bad faith or are hostile to affected IPs, or significant risks to IPs' human rights and environmental defenders exist, or IPs' lands, territories and resources in the location of the potential projects have been taken or confiscated without their FPIC.
- ▶ Projects are not aligned with IPs' worldviews, priorities, customary law or culture and FPIC is withheld. Some IPs may prefer to have intact lands or have laws or protocols that prohibit any industrial development on their territory. Public FPIC protocols are available through the [European Network on IPs](#) and the [Observatório de Protocolos Autonomos](#). Companies should also request any protocols directly from IPs.
- ▶ Projects are likely to lead to significant negative impacts such as violence, poverty, food and water insecurity, restriction of access to natural resources needed for cultural and economic survival, or an increase in gender-based violence. One interviewee, for example, stressed that in a specific region in Colombia, bringing any type of larger RE project would bring violence due to the pre-existence of conflict and the lack of protocols for decision-making, and that, therefore, pre-conditions did not exist for RE project negotiations.
- ▶ IPs in voluntary isolation may be affected. The principle of [no contact](#) and respect and protection of their cultural and economic survival must be adhered to.

If the conditions to proceed in a rights-respecting manner do exist, better practice approaches to co-ownership negotiation and project partnership have been observed. These include:

Fair and respectful negotiation and partnerships

Consultations with IPs need to be implemented in good faith, through an intercultural dialogue, fair negotiations, with the aim of identifying and understanding IPs' priorities and fair and equitable benefits, with respect for IPs' customs and traditions, and traditional knowledge, and taking into account the specific needs and priorities of Indigenous women, youth, the elderly and persons with disabilities. Companies should also make it clear to IPs that projects, or major changes to projects, will not proceed without consent.⁶ The option for IPs to directly invest in RE projects should be made clear, as should the potential risks of such an investment.

This requires dedication to relationship and trust-building, in contrast to the more typical transactional approach employed by the private sector in partnership negotiations. In many successful projects involving IPs, projects are not imposed through a top-down, after-the-fact approach, but rather, involve IPs approaching companies to propose co-creating a project. Models in which benefits are entirely pre-determined and offered up-front as a way to buy consent from community members can create tensions and conflicts within communities. Good practice includes the use of independent facilitators, whose role is not to make any decisions but rather to aid the implementation of fair FPIC processes, including through fair, intercultural dialogue and negotiation of benefits, which may go beyond mere financial stakes.



The project that we have devised with the Arhuaco elders is not just about money; there is financial convenience, obviously, but the initiative is not based just on that, there is a vindication of their culture and a specific support, directed to the mission that they have... They have committed themselves to use the money to support their objective of territorial preservation, so everything happening around the project is... also about reclaiming their culture and empowering [it].

Guido Patrignani, Greenwood Energy – Terra Initiative, Colombia

In addition to agreements on financial benefits, positive elements of agreements should include specific provisions to guarantee the right of IPs to fully and effectively participate in decision-making, requirements related to, for example, local procurement, job creation, capacity-building, environmental protection and cultural heritage preservation. This may include adopting standard tenders or requests for proposal documents that give preference to businesses that have IPs on their boards, in their management, or have IPs' ownership. In cases of co-ownership, where IPs hold a minority equity stake in projects, good practice includes guaranteeing IPs equal decision-making power and the opportunity of IPs to vote on decisions regarding specific type of contracts related to contracting third parties.

⁶ This view is also supported by the [UN Global Compact Good Practice note on IPs' FPIC](#).



While we may have 25% stake, which increased to 35% stake, we have the right to purchase another 15%, taking us up to 50% stake-holding, and while it might be 35%-65% shareholding, and they have got more shareholding than us, from a cultural and agreement perspective, we have more mana (i.e. prestige, authority, control, spiritual power, charisma – mana is a supernatural force in a person, place or object), more power and mandate than they do. So, from a very commercial perspective, they might look like they have more power, but from a cultural perspective they don't, we do.

Wikitoria Hepi Te Huia, Tauhara Maori Trust, New Zealand, UNPFII23

IPs interviewed for this paper raised concerns about some agreements not leading to any long-term benefits, or even leaving them worse off, suggesting that emerging practice should go beyond mere financial considerations and include social, cultural and economic indicators incorporated into agreements. It is also important that benefits accrue to the broader IPs' community and avoid elite capture. Furthermore, concerns have been raised about Indigenous territories becoming controlled by external parties, leading to negative impacts on their rights to their lands, territories and resources. In this regard, protection of IPs' right to their lands, including any customary law and land tenure systems, sacred sites and no-go areas, should be incorporated into formal agreements. Leasing land rather than acquiring IPs' land is [preferable](#), in order to secure land rights.

Kipeto project with Maasai community in Kajiado County, Kenya

The Kipeto Wind Power Project, located on Maasai land in Kajiado County, Kenya, is the second largest windfarm in Kenya with a capacity of 100 megawatts, featuring 60 wind turbines. After a rocky start, the Indigenous custodians of the land negotiated control over a Community Trust in which the board of trustees control income received from the Trust's 5% ownership of the equity in Kipeto Energy limited. In addition, the landowners receive income from a land lease agreement. Leasing land, rather than acquiring land has reportedly been key to secure IPs' land rights and ensure benefits to the project and people. *More information available [here](#).*

Dedicated capacity-building measures for both sides

The parties involved should have sufficient capacity and resources to engage meaningfully. Good practice could include assessing the capacity required from both parties and seeking to redress any gaps. As set out in [Enabling conditions for fair and equitable benefit-sharing](#), companies may require dedicated budgets for FPIC processes and training of personnel or require access to expertise through consultants or local NGOs with context-specific expertise. While guidance for companies regarding specific contents in agreements is scarce, the [Community-Investor Negotiating Guide](#) and the [FPIC Protocol Guide](#) are useful resources for developing fair agreements.

IPs may require access to technical capacity-building, independent expert advisors, negotiators and funding to fully participate in FPIC and negotiation processes. The critical element is ensuring IPs have sufficient capacity and agency through fair negotiation procedures to guide these decisions and to clearly lay out their priorities. For [example](#), the FPIC protocol of the Wampis Nation in Peru clearly prohibits private companies from entering their territories before the completion of formal consultation processes by the state.

There is a need for capacity-building within communities, as well as to ensure access to external capacity, for example, through trusted allies, Indigenous NGOs or through consultants. Organisations like [Indigenous Clean Energy](#), the [First Nations Clean Energy Network](#) and [Sovereign Energy](#) play an important role in bridging the capacity gap. It is important for IPs to be informed about their rights and entitlements, including any international and national human rights and environmental law, benefit-sharing, due diligence regulation, and any company policies and requirements of financiers. That said, there are [documented cases](#) where Canadian Indigenous affiliation, in particular, has been misused to undermine processes in other parts of world, especially in the mining sector in Latin America – so it is important for such advice to only be taken from reliable partners or advisors. It is also important for IPs to have access to negotiators, resources and tools they can trust. Tools like the [Clean Energy Negotiations Guide for First Nations](#), the [IBA Community Toolkit](#) and [Sacred Earth Solar's Just Transition Guide](#) are useful tools for decision-making and to foster fair negotiation. Such toolkits ought to be developed further to address local contexts and be made accessible in local languages.



Community co-ownership is different than benefit-sharing because communities need equity investment. Not all of them have financial capacity to handle risk and the investment cycle. A lot of times we do not have a partner on the other side with resources to be able to participate. There is a need for capacity support programs, such as in Scotland, that can make the financial modelling understandable, and make it work for local communities.

Adele Tharani, Ørsted



Money has a way of changing people. It will remove you from your house and take you far. It will tell you to marry additional wives, get a new car or move away from your village. It will even change your language. What we will need is extensive training in change management.

Ole Karu, Massai landowner, Kipeto project, Kenya



The training of staff is vital and that has to be included. You know the policy can't become practice without the awareness and the training of staff, but also it is about the culture of the company.

Lindsay Dougan, SSE Renewables

Participation of marginalised groups

Special attention should be given to the rights and special needs of Indigenous elders, women, youth, children, persons with disabilities and other groups within IPs. There should be targeted community engagement through a dedicated plan to map the views and interests of those different groups and ensure this is incorporated into decision-making. Barriers to IPs participation in decision-making, such as any obstacles related to linguistic differences, literacy, mobility, transportation, technology and gender, should also be [addressed](#).



The company must be ready to heavily invest in social capital for a project to succeed. It is costly in the short run, but beneficial in the long term.

Mr [Onchera Maiko](#), former CEO of Kipeto Energy Limited

Independent and participatory impact assessments

Impact assessments should be carried out by independent and technically competent entities, with the full participation of IPs, taking into account their cumulative overall impact at the territorial level. This should also include the identification of any no-go areas, as defined by IPs, including concerning size and scale of project, locations, water use or other environmental, cultural, spiritual or other factors. Where national legal frameworks too narrowly focus on environmental aspects, additional social, cultural and spiritual impact studies need to be implemented. In addition, IPs may prefer to conduct their [own independent impact assessments](#). Further guidance for impact assessments is provided by the [Akwé: Kon Guidelines](#).

Support for IPs' financial mechanisms

For co-ownership models, as well as other benefit-sharing modalities with financial components, IPs should have a mechanism in place for receiving, managing, investing or distributing financial resources, as well as internal accountability mechanisms. While some IPs have advanced financial institutions and processes in place, other communities may lack legal entities to receive and manage funds and may lack access to bank accounts. Better practice could include engagement with IPs to determine needs and provision of access to technical experts to support the creation of appropriate mechanisms and processes, tailored to their specific needs and contexts.

Grievance mechanisms

Establishment of effective grievance mechanisms at both the project and company levels is essential. These should enable concerns regarding non-compliance with co-ownership agreements and mismanagement of RE projects, including potential corruption, to be aired and resolved.

Clear and accessible documentation

Where co-ownership agreements have been reached, they should be documented through binding, contractual agreements, including in the language understood and preferred by IPs and made accessible to all parties, at all times. [Consent should be ongoing](#) with express opportunities and mutually agreed requirements for review and renewal. Such agreements should be monitored through a resourced process, clear implementation plans and periodic monitoring, with assigned oversight and clear roles and accountability for all the parties involved. Leading practice includes having both company and community “champions” to lead implementation and follow-up on both sides.



Having a local partner on the ground with appropriate cultural ties and knowledge is critical; the process to select it needs to be carefully managed.

Martha Selwyn, SSE Renewables



If communities are going to be doing this, they need to be building expertise within the community. And that is why a lot of times, we are calling them climate energy champions. This means people that are from the community, so they are looking out for the best interests of community.

Melina Laboucan-Massimo, Sacred Earth Solar, Canada

Better practice in co-ownership:

Okikendawt Hydro, Dokis First Nation, Ontario, Canada

The Dokis First Nation is an Ojibway community located beside the French River as waters flow from Lake Nipissing in northern Ontario. The Okikendawt project is a “run-of-the-river” hydro generating facility in operation since 2017, jointly owned between the Dokis First Nation and Hydromega Services, a private development company. The Okikendawt Hydro Project has been an economic development goal for the Dokis First Nation for 25 years, with many prior decades of advocacy to create the conditions for recognition of rights and ownership of the resources and project. The project was developed with deep regard for the Dokis People’s responsibilities to the French River environment. The project utilised existing hydrology control structures: no new dam was constructed. The partnership between the Dokis Nation and Hydromega Services focused on building an economically viable 10-megawatt hydro plant to produce power to contribute to the province of Ontario’s plan to eliminate coal-generated electricity. Additionally, a new transmission line was built as part of the project to transmit the power into the Ontario grid through a 40-year Feed-in-Tariff contract. The effort was driven by the deep desire of the Dokis People to restore the French River ecosystem, and a proactive and positive project partnership that values ancestral knowledge in lands and water management, the conservation of nature, and securing clean energy and economic diversification. *This case was selected and developed in cooperation with Indigenous Clean Energy and the Dokis Nation. Read the full case study [here](#).*

Common pitfalls of benefit-sharing approaches

- ▶ Top-down pre-determined approach, with pre-determined benefits
- ▶ Ad-hoc CSR programs aimed at securing project approval of community members
- ▶ One-size fits all approaches to benefit-sharing
- ▶ IPs' decision-making systems and governance structures not fully understood or respected
- ▶ Rushed timelines seeking to get approval as fast as possible
- ▶ Lack of funding for FPIC processes and effective participation in decision-making
- ▶ Lack of capacity and understanding of IPs' rights among company staff
- ▶ Lack of broader IPs community engagement

Good Practice regarding IPs benefit-sharing

- ▶ Co-create project, including the co-identification of benefits, in accordance with IPs' worldviews, priorities, and customary laws
- ▶ Binding agreements aligned with the long-term vision of IPs
- ▶ Adapted approaches to the specific situation, context, and priorities of the IPs in question
- ▶ All rightsholders and decision-makers need to be identified, including, where relevant, multiple IPs' representative institutions
- ▶ Respect IPs' own timelines, including allotting sufficient time to fully analyse information, make informed decisions, and build trust
- ▶ IPs have access to sufficient funding to convene, access capacity and advice, develop FPIC protocols, and ensure their full implementation
- ▶ Company board, management, and staff should have sufficient capacity building regarding IPs' rights, history, culture, and decision-making structures
- ▶ Involve broad IPs community engagement, including with elders, women and youth, to incorporate all their priorities and perspectives into decision-making and the identification of impacts and benefits

Other guidelines for business and project developers

- ▶ [Fact Sheet: Identifying IPs](#): Guidance on the identification of IPs' and their representative institutions
- ▶ [Fact Sheet: FPIC](#): Guidance on FPIC
- ▶ [Leading practices for resource benefit-sharing and development for and with Indigenous communities](#): Guidance on types of benefit-sharing agreements and funds
- ▶ [Dublin Declaration on Fair and Equitable Land Access](#): Declaration setting out principles for Fair and Equitable approaches to development projects
- ▶ [Securing IPs' Right to Self-Determination](#): A Guide on FPIC: Tool for IPs to develop FPIC protocols, including agreement making
- ▶ [Community-Investor Negotiation Guide 2: Negotiating Contracts with Investors](#): Guidance for communities for sections and clauses that should be in agreements
- ▶ [IBA Community Toolkit](#): Guidance for community negotiators for negotiating agreements
- ▶ [Clean Energy Negotiations Guide for First Nations](#): A tool for First Nations in Australia to negotiate agreements for RE projects
- ▶ [Best practices for Impact Benefit Agreements](#): Framework for agreements with companies from the community perspective
- ▶ [Community Toolkit on FPIC](#): Guidance for communities for exercising FPIC when faced with RE projects on their territories



Conclusion and recommendations

This report focuses on fair and equitable benefit-sharing in the RE sector, with a view to fostering a just transition and identifying viable alternative business models to the status quo. The recommendations below should be adapted to different contexts, recognising the diversity of IPs, respecting the principle of no contact with IPs in voluntary isolation.

Recommendations to states: key components of policy and regulatory frameworks

- ▶ Fulfil their human rights obligations, such as recognition and implementation of IPs' rights, and access to basic services, to prevent benefit-sharing from becoming a tool for coercion.
- ▶ Ensure the participation of IPs, including Indigenous women and youth, in the design of benefit-sharing policies, regulations and project plans at every stage.
- ▶ Support Independent Power Producers with long-term power purchase agreements and equitable rates, provide direct funding for RE-related capacity building for IPs, and require minimum IPs' equity ownership in projects.
- ▶ Establish regulations requiring FPIC and equitable benefit-sharing as part of mandatory human rights and environmental due diligence (mHREDD) processes.
- ▶ Assist IPs access to direct funding, which can include direct financial assistance, loan guarantees, grants and capacity-building initiatives, including for RE participation.
- ▶ Develop policies to ensure access to energy and other benefits from the just energy transition also for those IPs without access to RE resources.
- ▶ Provide access to public databases of privately negotiated agreements, or parts of agreements, so that companies and IPs can learn from the experience of others.
- ▶ Establish independent and effective grievance mechanisms accessible to IPs communities in relation to RE projects.

Recommendations for RE developers considering partnering with IPs

- ▶ Adopt and implement policies with board oversight on due diligence, IPs' rights, FPIC and fair and equitable benefit-sharing, zero-tolerance to attacks of IPs human rights defenders.
- ▶ Ensure policies are supported by company values and culture, promoting respect for IPs' rights and cultures.
- ▶ Consult extensively with IPs, from the conceptualisation stage of a proposal, to understanding their priorities, including diverse groups within IPs (women, youth, persons with disabilities and the elderly), without the assumption that they necessarily want projects.
- ▶ Develop and implement fair and equitable benefit-sharing models that address both procedural and substantive elements, ensuring IPs have choice and agency in decision-making.
- ▶ Be flexible and open to different benefit-sharing or co-ownership models, recognising IPs have varying priorities and needs.
- ▶ Acknowledge that new governance structures and partnerships with IPs can introduce complexity and dedicate time and resources to create the necessary competencies, capacity and flexibility.
- ▶ Select business partners who share the company's commitment to respecting IPs' rights, culture and values.
- ▶ Structure tenders and contracts to require contractors to respect FPIC, and incorporate IPs' rights and interests and values, and give preferential treatment to business partners that contribute to positive benefits.

Recommendations to financial institutions

- ▶ Commit to conduct due diligence to respect IPs' rights, including to their lands, territories, and resources, to FPIC and fair and equitable benefit-sharing.
- ▶ Identify and assess whether any existing agreements are based on FPIC, genuine partnership, fair procedures and substantive benefits, and have sufficiently resourced monitoring mechanisms.
- ▶ Private equity and project finance investors should require evidence of FPIC and fair and equitable benefit-sharing where projects affect Indigenous territory.
- ▶ Develop financial vehicles supportive of fair and equitable benefit-sharing by developing indicators, metrics and targets related to fair and equitable benefit-sharing and co-ownership with IPs.
- ▶ Directly support Indigenous-led RE utilities and projects, including those led and managed by Indigenous youth and women.



The Indigenous Peoples Rights International (IPRI) is a legally registered, non-profit global Indigenous Peoples organization that works to protect Indigenous Peoples' Rights, and unite and amplify the call for justice to victims of criminalization and impunity.



Business & Human Rights Resource Centre is an international NGO which tracks the human rights impacts of over 10,000 companies in over 180 countries, making information available on our 10-language website.