

Date	11 July 2019
Subject	Grievance Investigation Terms of Reference (TORs): Non-conformity allegations against Çeşme Wind Power Project, Turkey (GS2542)

1.0 Introduction & Purpose

On the 29th April 2019 Gold Standard initiated an investigation into allegations¹ (table below) of non-conformity concerning [GS2542](#) Çeşme Wind Power Project, Turkey (henceforth ‘the Project’). This document represents the output of Step 3 of the published Gold Standard Grievance Process², namely the TORs for the investigation. The TORs represent a framework through which Gold Standard will investigate the grievances and are published to the Gold Standard grievance page concerning this Project.

2.0 Summary of the Allegations

The specific allegations received have been summarised in the Table 1, below. It is reiterated that the Gold Standard has not reached a position on either veracity or accuracy of these allegations, pending the carrying out of the investigation.

Table 1 – Summary of allegations

Allegations	Summary
1 - Breaches of Gold Standard principles concerning safeguarding and Do No Harm	<p>The project is in close proximity to residential & agriculture areas. It is alleged that the Project has caused negative environmental impacts to critical natural habitats, including (for example) protected and/or officially proposed for protection area and endemic plant species.</p> <p>It has also been alleged that the project did not implement mitigation measures to avoid any potential health risks that the project may cause to local residents, including not meeting the minimum noise criteria established by World Health Organization (WHO) and local regulations.</p>

¹ For details of the allegations, visit GS website:

<https://www.goldstandard.org/our-work/grievances/non-conformity-allegations-against-cesme-wind-power-project-turkey-gs2542>

² <https://www.goldstandard.org/our-work/innovations-consultations>

2 - Failure to provide sustainable development benefits	It is alleged that the project does not contribute to sustainable development.
3 - Failure to include relevant stakeholders/conduct a stakeholder consultation	<p>Related to the required stakeholder consultation it is alleged that neither relevant stakeholders (such as landowners and local citizens) were invited to, nor any public announcement made for the stakeholder consultation meeting. Furthermore it is alleged that no real stakeholder meeting was organised or carried out. It is also alleged that project developer has forged the signature of stakeholders, promising return favour for attending the stakeholder's meetings.</p> <p>In addition to the above, the project has been accused of threatening stakeholders with and via court cases and not disclosing the information to GSF on other pending court cases.</p>
4 - Failure to comply with relevant local laws	It is alleged that the project has violated local and federal court verdicts and engaged in corruption. Despite the fact that the emergency expropriation decision and project plan has been cancelled, the project is operational.
5 - False or misleading information contained in Monitoring Reports	It is alleged that the project has not shared information on project ownership and project documents in a transparent manner with stakeholders. The project has provided false and/or misleading information for project registration.

3.0 Grievance process and investigation overview

The Gold Standard investigation will be led by the Gold Standard Secretariat, with support from its independent Technical Advisory Committee and third-party experts as required. The investigation will include (based on the steps of the published grievance process):

Step 1 (COMPLETED): Receive and review the grievance: Conduct an initial review assessment of whether the issues raised are a potential non-conformity in relation to the applicable Gold Standard Principles and requirements. This shall be assessed against the Standard Terms & Conditions and the Standard's requirements as applicable at the time of certification.

OUTPUT: An initial review and assessment report (available [here](#)) of whether the issues raised, should they be proven correct, constitute a non-conformity against the Standard or are in breach of any associated documents such as the Terms and Conditions.

Steps 2-4:

- Step 2 (appoint grievance team) – COMPLETED
- Step 3 (draft TORs for the investigation) – COMPLETED with this document
- Step 4 (flag the registry account) - COMPLETED

Steps 5 (Solicit additional feedback) and Step 6 (desk review): These steps will run concurrently, allowing the investigation team to review and conclude any issues that are dealt with in certified documentation and focusing the gathering of further evidence on remaining open items. This will therefore involve:

- Shortlisting the key issues which will be further investigated due to potential risk of non-conformity against the Standard or breach of any associated documents such as the Terms and Conditions
- Reviewing the certified GS2542 project documents including internal reviews, validation report, monitoring report and verification reports completed by auditor
- Interviewing the complainant, the auditor and project owner/developer and review any additional information provided during or as follow-up to the interviews
- Field study including but not limited to fact gathering from the field, assessing legal findings, interviewing affected stakeholders and others to support the review work
- Within the above analysis review, to what extent the information is sufficiently complete in order to make a recommendation. As needed previous steps will be revisited as needed.

OUTPUT: A Draft Preliminary Report providing an analysis of desk-based information and fact gathered from field study, making recommendations.

From the Preliminary Report, steps 7-10 will be progressed, including documenting findings of fact, recommendations and the reasoning underlying those recommendations in a report for review by the Technical Advisory Committee External Expert, Project Owner/Developer and an executive committee of The Gold Standard Foundation Board of Directors.

4.0 Scope, Investigation TORs and workplan:

The investigation will focus on the grievances raised and assessed against the relevant and applicable standards requirements for the project. The applicable requirements are as follows:

- Standard version: Gold Standard 2.2
- Methodology/version: ACM0002 Grid-connected electricity generation from renewable sources, Version 15
- TORs version: Signed Terms and References (annex M) and Cover letter (Annex S)
- Gold Standard Principles (available [here](#))

**Note that Gold Standard Version 2.2 is now superseded by Gold Standard for the Global Goals (GS4GG). All projects are required to transition to GS4GG at next Verification. As this project has not yet transitioned to GS4GG the applicable scope for this grievance is Version 2.2.*

The investigation team will first conduct the desk-based review of the project documentation including but not limited to the Gold Standard Requirements and Toolkit, project design document, passport, monitoring reports, validation and verification reports along with interviews with stakeholders. This will be supplemented by further field study to complete the investigation. This will include any agreed changes, exceptions, deviations or approaches approved by Gold Standard during certification.

Table 2, below summarises the scope of the investigation for each allegation. The proposed investigation plan is based on an initial non-conformity assessment and will be subject to change as investigation progresses and new information emerges.

Table 2: Scope of investigation

Allegations	Relevant standards requirements	Scope of investigation
<p>1 - Breaches of Gold Standard principles concerning safeguarding and Do No Harm</p> <p>Commentary:</p> <p>According to the applicable Gold Standard requirements section VII. A.1 –“Project Representatives are required to assess the risk that their project activities will have severe negative environmental, social and/or economic impacts through a ‘Do No Harm’ Assessment...”. Also,</p>	<ul style="list-style-type: none"> • Gold Standard Principles: Principle 1: The project shall do no harm, complying with the UNDP Millennium Development Goals (MDG) Carbon Safeguard Principles. • The Gold Standard Requirements: Section VII. a. Project risks and benefits for sustainable 	<p>The investigation will establish:</p> <ul style="list-style-type: none"> • Did the project sufficiently identify the potential negative risks following the Gold Standard safeguarding principles and requirements? And// • Did the project identify adequate mitigation measures and indicators for how they would be monitored? And//

<p>the project developer must submit a declaration, as part of the Cover Letter, warranting that the project complies with the safeguarding principles referenced in Section 6 of the Annex S- cover letter.</p> <p>If the allegations are true, the project breaches of Gold Standard principles concerning Safeguarding and Do No Harm (Principle 1) & violates the declaration i.e., section 6: Do No Harm declaration of cover letter (Annex S – Cover letter).</p>	<p>development & b. ‘Do No Harm’ Assessment</p> <ul style="list-style-type: none"> • Signed declaration - Annex S: Cover Letter & Annex M: Terms & Conditions 	<ul style="list-style-type: none"> • Did the project implement mitigation measures to avoid, mitigate, or repair them, in line with the planned mitigation?
<p><u>2 - Failure to provide sustainable development benefits</u></p> <p>Commentary:</p> <p>According to the applicable Gold Standard requirements Section VII, the project shall have clear sustainable development contributions through completion of a detailed Gold Standard tool - sustainable development matrix. The project is required to consider expected positive and negative impacts across three dimensions – environmental, social and techno-economic.</p> <p>The project shall consider the negative impacts and neutralise with a mitigation measure, which shall be monitored to demonstrate the net positive contributions to sustainable development benefits. The Gold Standard Foundation reserves the right and shall reject project that fails to satisfy Gold Standard requirements on sustainability.</p>	<ul style="list-style-type: none"> • Gold Standard Principles: Principle 1: The project shall do no harm, complying with the UNDP Millennium Development Goals (MDG) Carbon Safeguard Principles, Principle 2: The project shall enhance sustainable development and Principle 7: The project’s compliance and progress shall be monitored, reported and independently verified throughout the entire crediting period. • The Gold Standard Requirements: Section VII. a. Project risks and benefits for sustainable development, b. ‘Do No Harm’ Assessment, c. Detailed Impact Assessment – Sustainable Development Matrix (‘SD Matrix’) d. Sustainability Monitoring Plan; and • Signed declaration - Annex S: Cover Letter & Annex M: Terms & Conditions 	<p>The investigation will establish:</p> <ul style="list-style-type: none"> • Did the project sufficiently assess and demonstrate the Sustainable development benefits following the Detailed Impact Assessment – Sustainable Development Matrix? AND// • Did the project receive feedback from stakeholders concerning negative impacts on local agricultural and tourism activity? AND// • If yes, Did the project implement, monitor and verify mitigation measures to address stakeholder concern?
<p><u>3 - Failure to include relevant stakeholders/conduct a stakeholder consultation</u></p> <p>Commentary:</p>	<ul style="list-style-type: none"> • Gold Standard Principles: Principle 3: The project shall involve all relevant stakeholders 	<p>The investigation will establish:</p>

<p>According to the requirements (Gold Standard requirements Section VIII. b.), Project submitted under retroactive registration cycle shall NOT conduct a Local Stakeholder Consultation per se but instead must apply for a Pre-feasibility Assessment following the applicable procedure. The outcome of the pre-feasibility assessment provides information on what complementary stakeholder consultation shall be conducted. All projects applying for Gold Standard registration must have a formal continuous input/ grievance mechanism in place (Gold Standard Requirements Section VIII. b.).</p> <p>Project participants are required to provide a statement warranting that the information provided in the ‘do no harm’ assessment is accurate, to the best of your knowledge. (see Annex S). If allegation that the project offered favours in return of stakeholder’s signature, is true the project is in violation of Annex S declaration.</p>	<ul style="list-style-type: none"> • The Gold Standard Requirements: Section VIII. b. Local Stakeholder consultation. And VIII.d. Stakeholder feedback round • Signed declaration - Annex S: Cover Letter & Annex M: Terms & Conditions 	<ul style="list-style-type: none"> • Did the project follow Gold Standard requirements with regards to complimentary stakeholder consultation as an outcome of prefeasibility assessment? And// • Were the validating and verifying auditor able to verify the information provided to meet the follow up requirements? And// • Did the project implement a formal continuous input/ grievance mechanism and follow outlined procedure to address stakeholders’ concern, if received any?
<p><u>4 - Failure to comply with relevant local laws</u></p> <p>Commentary:</p> <p>According to the Gold Standard requirements Section VII. a.4, All Projects must fulfil host country requirements on environmental and social impact assessments at the local, regional and national levels. A declaration must be submitted by the Project Representatives, as part of the Cover Letter, warranting that the project complies with local environmental and social regulations.</p> <p>The project shall adhere to this GS principles anytime during project crediting life. If the allegation is true, hence the project is in non-compliance with GS principles.</p>	<ul style="list-style-type: none"> • Gold Standard Principles: Principle 3: The project shall involve all relevant stakeholders • The Gold Standard Requirements: Section VII.a.4. Local, region and national Environmental and Social Impact Assessment Requirements. • Signed declaration - Annex S: Cover Letter & Annex M: Terms & Conditions 	<p>The investigation will establish:</p> <ul style="list-style-type: none"> • Did the project demonstrate compliance with all federal, state, and local regulations and standards that govern and are relevant to this project? And// • Are there any legal findings against the Project or any open court cases that could lead to this? • Did the project violate the signed declaration as included in Annex S: cover letter?

<p><u>5 - False or misleading information contained in Monitoring Reports</u></p> <p>Commentary:</p> <p>According to the GS principles, the project's information shall be well documented to enable reproducibility and tracing of certified information. Project documents shall be made public on The Gold Standard Registry. Also, the Gold Standard requires to make applicable Gold Standard documentation public at different stages of the project certification cycle.</p>	<ul style="list-style-type: none"> • Gold Standard Principles: Principle 6: The project shall be transparent. • The Gold Standard Requirements: Section VIII.f Registration of the project • Signed declaration - Annex S: Cover Letter & Annex M: Terms & Conditions 	<p>The investigation will establish:</p> <ul style="list-style-type: none"> • Did the project transparently share the project information publicly following GS requirements?
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The investigation team will review the following project documents (not exhaustive)

- GS passport
- Preliminary EIA report
- Pre-feasibility assessment report
- Project design document
- Validation report
- Monitoring report
- Verification report
- Other supporting documents
- Common practices amongst similar projects (in Turkey)
- Publicly available information, including relevant legal findings and media

Based on the above desk-based assessment the investigation team will further:

- Interview the Project Developer, Validating and Verifying DOEs, and the Complainant to establish any discrepancies/gaps and any conflicts of interest that may have arisen.
- Conduct an on-site assessment via a third-party expert(s), as required.
- Review legal findings and decisions.

The investigation will follow the below approximate timeline:

Activity	Timeline
Initial Review/non-Conformity Assessment (Completed – assessment report is available here)	May 2019 (complete)
Appointment of Gold Standard investigation team	May 2019 (complete)
Grievance Investigation Terms of Reference (TORs) (This document)	May/ June 2019
Appointment of independent local expert(s)*	TBC as part of investigation (process commence June/July 2019)
Evidence collection, desk review and stakeholder interviews	June-August 2019
Field Study and fact finding	From August 2019 (extendable as required)
Draft report	September-November 2019
Preliminary Review/ Peer Review (TAC, External expert)	November 2019
Review by project developer (noting that this is an opportunity for comment only, it is at Gold Standard’s discretion to adjust the report)	November 2019
Review by GS Board	November/December 2019
Final report and publication on GS website	December 2019

* Local expertise will be required as follows, potentially provided by more than one individual:

- Legal expertise, qualifications and experience – to review and make recommendations concerning current and historic court cases involving the project, particularly as to whether the project was found (or has findings pending) of legal breaches. A legally qualified expert with at least 5 years relevant experience will be sought.
- Local context and custom – to review and comment on the allegations concerning the implementation of the project, particularly concerning inclusivity and safeguarding. An expert in wind power projects with knowledge and expertise concerning the project locale will be sought.
- Fluency in Turkish and English
- Experts must be independent of Gold Standard, the Project (and competing projects), the Complainant and Government. Examples could include civil society or academic professionals.