1. INFORMATION ON GRIEVANCE

The Cesme Wind Power Project, Turkey (GS 2542) has been put in Suspended status in the GS registry (Please visit https://www.goldstandard.org/our-work/grievances/non-conformity-allegations-against-%C3%A7e%C5%9Fme-wind-power-project-turkey-gs2542 for more information), due to a grievance process filed by Madeleine Staaf Kura that followed an investigation summarized into a report that presented conclusions and recommendations which are below (the report can be found here: investigation_report_cesme_eng.pdf (goldstandard.org)).

5. Conclusions & recommendations

a) The allegations in the grievance constitute a “non-conformity” under the Gold Standard rules and requirements.

The allegations constitute a material non-conformity under the relevant Gold Standard rules and requirements. The complainant alleges that despite a host of Gold Standard Principles being breached as part of the registration process, the project has been registered with Gold Standard.

With the acceptance of the Terms and Conditions, the project developer agrees to adhere to the Gold rules and requirements through the entire project life. In addition, as per Clause 12 of The Gold Standard Terms and Conditions the “User acknowledges that GSF has established prestige and goodwill and is well recognized in the industry and the public and that in conducting any activities in connection with or related to GSF, User shall ensure that it maintains the high standards and reputation of GSF. User further covenants that it shall not commit any act or omission of a substantial nature that causes or threatens to cause significant and adverse impact to the reputation of GSF and shall duly supervise its officers, directors, employees, agents, representatives and assigns accordingly. User acknowledges that GSF may from time to time amend the Technical Rules or the Brand Rules. User shall always comply with such rules and regulations. User shall cooperate reasonably and in good faith with GSF for the purpose of securing and preserving GSF’s rights in and to The Gold Standard Brand.”

The clauses cited above clearly demonstrate that the reporting of inaccurate information by the project would constitute a breach of Gold Standard principles and rules. Logically, if any such information is later found to be inaccurate – whether intentionally or unintentionally - then this would constitute a clear non-conformity.

Based on the investigation and findings presented in section 4 it can be concluded that the project is in non-conformity due to the following:

- the project failed to inform Gold Standard with regards to the legal status and ongoing cases proceedings and
• the project didn’t fully comply with the Gold Standard Stakeholder Consultation requirements especially with regards to the identification of stakeholders, proactively engaging the stakeholders and considering their feedback and establishing a continuous input and grievance mechanism.

b) Recommendations

Prima facie it seems that all relevant GS procedures and host country norms are followed but based on the investigation on the ground, there are non-conformity issues which must be redressed. The Gold Standard investigation has not found whether these non-conformities were intentional. Gold Standard does find however that the findings of this report are an opportunity for the Project Developer to bridge these gaps and ensure that all Gold Standard requirements are fully met.

The investigation team is therefore of the opinion that the project registration status should be suspended with immediate effect. During the suspension period, the project account on GS Registry will be put on freeze and it will not be allowed to transfer/transact any issued carbon credits available in the project’s account on the registry. Further to this, the project cannot submit further request for issuance of emission reductions until corrective actions, as listed below, are not taken to redress the non-conformity:

• As directed by the honorable court in its decision, the administration is required to carry out the necessary expropriation processes by taking the matters specified by the courts into consideration. The project shall demonstrate compliance with regulatory requirements and/or applicable conditions arising from change in expropriation processes including stakeholder engagement.
  o The project shall also conduct a fresh stakeholder consultation, supplementary to stakeholder engagement for land expropriation processes, with independent third-party oversight, wherein
  o Affected stakeholders shall be carefully identified in line with the applicable Gold Standard Stakeholder consultation requirements. The project impacts shall be clearly drawn and stakeholders from all villages/areas falling within project impact boundary shall be engaged;
  o All risks identified by stakeholders are clearly discussed and mitigation planned and monitored over the remaining crediting period;
  o The stakeholders’ feedback shall be collected on benefits claimed by the project if required, the sustainable development assessment shall be revisited and updated; and
  o The grievance and continuous input mechanism shall be re-discussed with stakeholders and made available to all affected stakeholders.

• the project shall regularly update, at minimum biannually Gold Standard on the status of the pending court cases against the project. If a court’s ultimate decision on any of the pending cases is given in favour of the plaintiff, with no further option for appeal, the project may be de-registered.

• the project shall update the project documents and resolve inconsistencies in different documents

Upon successfully implementing the above mentioned measures, the project shall be able to redress the non-conformity and retain its status as a registered Gold Standard project and be entitled to potentially issuance of GS-VERs in future.
The Project Developer presented the following documents to request the closure of the grievance and lift the suspended status:

- Cesme Wind Power Plant - Cover Letter
- GS2542_V2.0-Stakeholder-Consultation-Report_08-06-2022
- GS2542_V2.0-Stakeholder-Consultation-Report_15082022
- Independent Observer Report - May 2022
- Additional evidence such as email communication to stakeholders, Title deeds

2. REVIEW PROCESS

Based on the findings identified, the recommendation mentioned, and the documents submitted by the PD for review to close the grievance, each finding was checked, and review as follows:

Finding 1:
The project failed to inform Gold Standard with regards to the legal status and ongoing cases proceedings.

Finding 2:
The project didn't fully comply with the Gold Standard Stakeholder Consultation requirements especially with regards to the identification of stakeholders, proactively engaging the stakeholders and considering their feedback and establishing a continuous input and grievance mechanism.

Recommendations and how the same were addressed:

- As directed by the honorable court in its decision, the administration is required to carry out the necessary expropriation processes by taking the matters specified by the courts into consideration. The project shall demonstrate compliance with regulatory requirements and/or applicable conditions arising from change in expropriation processes including stakeholder engagement.

  The report submitted by the PD states, “Since expropriation activities of the project area had been finalized and fair compensation with respect to regional market values was achieved, it has been noted that are no ongoing or pending court cases regarding land ownership. It was concluded that full compliance with legal requirements are demonstrated”.

  The PD confirms that the whole expropriation process has been completed and tenancy of the lands belongs to the project owner. The title deeds have been provided.

  However, further verification of the situation shall be conducted by the VVB during verification assessment, in particular during physical site assessment to confirm that the legal situation of the project land is closed.

  ✓ The project shall also conduct a fresh stakeholder consultation, supplementary to stakeholder engagement for land expropriation processes, with independent third-party oversight, wherein

  LSC report has been provided with new information on consultation.

  Izmir based Local Expert Alev Erol has been appointed by PD as an independent third party, to observe the procedures and received feedback as per outcomes reported in LSC report at micro and macro level of organization planning and meeting inputs.

  Expert opinion is that “the Project activity is in compliance with Gold Standard requirements that were stipulated during registration and principles to be maintained for sustainable development without any gaps for monitoring”.

  ✓ Affected stakeholders shall be carefully identified in line with the applicable Gold Standard Stakeholder consultation requirements. The project impacts shall be clearly
drawn and stakeholders from all villages/areas falling within project impact boundary shall be engaged;

Considering the COVID situation and measures, a physical meeting and an online stakeholder meeting were conducted. The physical meeting and face to face interview were organized for local stakeholders and Mukhtars.

Gold Standard, NGOs and national government officials were invited to the online meeting. Additionally, Çeşme District Governorship sent an official invite to Çeşme Mayor’s Office, Çeşme District Police Department, Çeşme District Gendarmerie Command and the Mukhtars of İnönü and Musalla villages.

Invitations were reviewed and it can be confirmed that the same were sent on April 19th, 2022.

As per communication held with the PD, nobody expressed its interest for online meeting and no online interview was realized despite of announcements. Only Çeşme District Governorship called by phone to learn the details and sent official invitations as “Announcement (Çeşme Governorship)” to governmental bodies. Even the online meeting was not realized, stakeholder feedback round invitations were sent via email to stakeholders. “Çeşme RES Gold Standard Paydaş Geri Bildirim Süreci- Gold Standard Stakeholder Consultation Feedback Round”.

Regarding physical meeting, Stakeholders were informed the timing of the feedback round and invited for their upcoming comments. Additionally, Stakeholder Consultations Documents were delivered to the office of İnönü Village’s Mukhtar. And announcements were also put in the Mukhtars’s office.

✓ All risks identified by stakeholders are clearly discussed and mitigation planned and monitored over the remaining crediting period;

As per the Cover Letter of Fresh Local Stakeholder Consultation of GS2542 – Cesme Wind Power Plant, dated 08/06/2022, no major risks were identified, however, during verification process for the entire and remaining crediting period, the comments and responses raised in section C.3. Assessment of comments from all consultations above of the the Local Stakeholder Consultation Report shall be verified to confirm continuous implementation. Additionally, local expert Alev Erol, confirms in its report that “Risk assessment regarding project impact considering allegations has been discussed along with the registered and last verified Monitoring Plan as well”.

✓ The stakeholders’ feedback shall be collected on benefits claimed by the project if required, the sustainable development assessment shall be revisited and updated; and During stakeholder meetings no additional feedback has been provided and, no further actions are required on the revision or update of the sustainable development assessment.

✓ The grievance and continuous input mechanism shall be re-discussed with stakeholders and made available to all affected stakeholders.

This is mentioned in the stakeholder consultation report and is to be verified during the following verification site visit together with confirmation from Local Stakeholders to ensure that the process is fully implemented.

- the project shall regularly update, at minimum biannually Gold Standard on the status of the pending court cases against the project. If a court’s ultimate decision on any of the pending cases is given in favour of the plaintiff, with no further option for appeal, the project may be de-registered.

Regular update to GSF occurred.

- the project shall update the project documents and resolve inconsistencies in different documents
The PD shall ensure that this is performed during next verification process based on the information mentioned in the investigation report section 4.5 (b) iv. “Some minor inconsistencies were found in project documents and validation report – such as referring to wrong distances between nearby city and project site, using a slightly wrong map, not referring to monitoring parameter, etc. During the discussion, the verifying VVB confirmed that the project and wind turbine locations were crossed check with GPS coordinates and information was found accurate”.

3. RECOMMENDATION AND NEXT STEPS

Based on the aforementioned documents reviewed, information and analysis, SustainCERT is the opinion that the project can be re-opened for verification process provided that the following requests are being considered during next verification processes.

Forward Action Request 1:

Regarding the need that all risks identified by stakeholders are clearly discussed and mitigation planned and monitored over the remaining crediting period

During verification process for the entire and remaining crediting period, the comments and responses raised in section C.3. Assessment of comments from all consultations above of the aforementioned Stakeholder Consultation Report shall be verified to confirm and ensure that continues implementation of the mentioned activities are in place and provide sustainable action and continuous implementation.

Forward Action Request 2:

The project shall update the project documents and resolve inconsistencies in different documents.

PD shall ensure that this is performed during next verification process based on the information mentioned in the investigation report section 4.5 (b) iv. “Some minor inconsistencies were found in project documents and validation report – such as referring to wrong distances between nearby city and project site, using a slightly wrong map, not referring to monitoring parameter, etc. During the discussion, the verifying VVB confirmed that the project and wind turbine locations were crossed check with GPS coordinates and information was found accurate”

Forward Action Request 3:

The Verification Body at next verification process shall ensure that all documents that sustain the information provided in the Stakeholder Consultation Report are available and in accordance with the statements included in such report.

Additionally, the legal court case situation shall be verified and confirmed by the VVB during verification assessment, in particular during physical site assessment to confirm that legal situation of the project land is closed.

Forward Action Request 4:

The project should successfully complete the verification demonstrating compliance with all the requirements.

Forward Action Request 5:

The verifying VVB must conduct a physical on-site visit and interview the local stakeholders.