

## Cesme Wind Power Project, Turkey (GS 2542) – Non-Conformity overview and recommendations

<b>Prepared by:</b>	GS Secretariat
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### 1. INTRODUCTION & PURPOSE

This report provides the findings of fact, analysis, conclusions, and recommendations to resolve the project grievance that was filed by Madeleine Staaf Kura, against **Cesme Wind Power Project, Turkey (GS 2542)**.

### 2. Background

#### 2.1. Grievance background

On the 29<sup>th</sup> April 2019, Gold Standard initiated an investigation into allegations<sup>1</sup> of non-conformity concerning GS2542 Çeşme Wind Power Project, Turkey (henceforth ‘the Project’). The complainant, Madeleine Staaf Kura reported that the project has not adhered to Gold standard principles during the implementation and operation phase of the project activity. In particular, the following allegations against the project were made –

- Breaches of Gold Standard principles concerning safeguarding and Do No Harm
- Failure to provide sustainable development benefits
- Failure to include relevant stakeholders/conduct a stakeholder consultation
- Concerns raised about removal of existing vegetation and associated leakage
- Failure to comply with relevant local laws
- False or misleading information contained in Monitoring Reports

#### 2.2. Project Background

ABK Çeşme RES Enerji Üretim A.Ş has invested in a new renewable energy project called Çeşme Wind Power Project; “the project” hereafter. The project involves installation of 6 turbines with 3 MW capacity each. The licence to the project was issued by Energy Market Regulatory Authority (EMRA) on 29<sup>th</sup> May 2008. The generated energy is fed to the grid at Cesme RES transmission line. An estimated electricity net generation of 53.57 GWh per year by project activity will replace the grid electricity, which is constituted of different fuel sources, mainly fossil fuels. The electricity produced by the project activity will result in a total GHGs emission reduction of 30,068 tonnes of CO<sub>2e</sub>/year.

**Table: GS 2542 Key dates**

Registration details	
Project GS ID	GS2542
Project Title	Çeşme Wind Power Project, Turkey
Project Participants	ABK Çeşme RES Enerji Elektrik Üretim A. S
Validation site visit	25/11/2014

<sup>1</sup> 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>

Registration date	04/02/2016
Crediting period	23/05/2015 — 22/05/2022
Project registration type	Retroactive
Type of crediting period	Renewable (Twice)
Validation VVB	RINA Services S.p.A. (RINA)
<b>Verification details</b>	
Verification period	23/05/2015 — 31/07/2017
Verification Site visit	18/08/2017
Issued <sup>2</sup> GS-VERs	48,088
Verification VVB	Re Carbon Ltd.
Project registry link	<a href="https://registry.goldstandard.org/projects/details/411">https://registry.goldstandard.org/projects/details/411</a>

The auditor, RINA Services S.p.a (RINA), hereafter ‘RINA’ performed the validation for the project. The auditing team carried out a desk-based review, stakeholder interviews, site visit to assess the implementation status of the project. The auditor also carried out an assessment of the stakeholder consultation, including identification and consultation, environmental/social/economic risks faced by the project and Sustainable Development benefits offered. The validating VVB gave a positive opinion on the design status of the project and confirmed that all Gold Standard requirements are met for it to achieve design certification.

The auditor, RE Carbon Ltd., hereafter ‘RE Carbon’ performed 1<sup>st</sup> periodic verification of the project. The auditing team carried out the desk-based review, site visit and stakeholder interview to verify the performance of the project, emission reductions generated during 1<sup>st</sup> monitoring period. RE Carbon also audited the project outcome regarding Sustainable Development benefits and stakeholder concerns. On successful verification, the project completed its first issuance of 48,088 GS-VERs on 01/04/2019. To date this remains the only verification undertaken by this project.

### 3. GRIEVANCE PROCESS AND INVESTIGATION OVERVIEW

#### 3.1. Grievance process

Gold Standard welcomes complaints from local stakeholders if they reasonably believe that a project isn’t following standard’s rules and requirements. In such cases, Gold Standard reviews the complaint and decide whether to open an investigation following the stepwise grievance process, available at Gold standard website<sup>3</sup>. Allegations are always treated as significant because, if true, the Gold Standard has registered and issued GS- VERs based on the information provided by the project developer and in this case, positive assurance opinion given by the VVBs involved at project’s registration and issuance stage.

Following the submission of grievance, the Gold standard conducted an initial review of the grievance. The initial review 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 Gold Standard Terms and Conditions. Based on the initial review

<sup>2</sup> “**Issuance**” confirms that emission reductions units and sustainable development outcomes reported for a specific monitoring period are real and monitored, reported and verified (MRV) in line with the registered project design and applicable Gold Standard requirements. To achieve the “Issued” status an accredited, independent third party (in this case an UN-accredited audit body) must review and visit the project site to confirm that the project has been implemented as reported.

<sup>3</sup> Grievance process available at <https://www.goldstandard.org/our-work/innovations-consultations>

report, it was decided to investigate the Grievances submitted against GS 2542. The GS Secretariat notified the Project Developer and publish the grievance details to the project grievance page, [here](#)<sup>4</sup>.

The Gold Standard Secretariat team (led by Technical Director Vikash Talyan) was appointed and it was confirmed that the team does not have a material conflict of interest in leading the investigation. The Gold Standard Technical Advisory Committee (TAC) was notified and asked to provide independent oversight. The GS Secretariat has discussed the grievance process over email and on monthly calls with the TAC.

A detailed Investigation Terms of References (TORs)<sup>5</sup> including workplan was prepared and posted on project grievance page [here](#), both in English and Turkish. The TORs included the scope of the investigation, stakeholders to be interviewed, the documents to be verified and the workplan provided details of the timelines associated with the investigation.

The Gold Standard launched the investigation following the steps of the published grievance process. Given the local nature of the grievance allegations and the potential language barriers, it was decided that local, independent (of Gold Standard, the Complainant and the Project developer) subject matter experts will be appointed to carry out part of the investigation.

### **3.2. Investigation overview**

The investigation focused on the allegations raised and assessed against relevant and applicable Gold Standard requirements for the project. The applicable requirements are as follows:

- Standard version: Gold Standard Version 2.2<sup>6</sup>
- TORs version: Signed Terms and References (annex M) and Cover letter (Annex S)
- Gold Standard Principles (available [here](#))

#### **(a) Desk based review**

The investigation team first conducted the desk-based review of the project documentation including but not limited to (as relevant to the Standard version noted above):

- The Gold Standard Requirements and Toolkit
- Project design document
- Passport
- Monitoring report
- Validation and verification reports along with interviews with stakeholders.

<sup>4</sup>Non-conformity allegations against Çeşme Wind Power Project, Turkey (GS2542)  
<https://www.goldstandard.org/our-work/grievances/non-conformity-allegations-against-%C3%A7e%C5%9Fme-wind-power-project-turkey-gs2542>

<sup>5</sup> Terms of References is available at [https://www.goldstandard.org/sites/default/files/11.07.19\\_-\\_gold\\_standard\\_-\\_investigation\\_terms\\_of\\_reference.pdf](https://www.goldstandard.org/sites/default/files/11.07.19_-_gold_standard_-_investigation_terms_of_reference.pdf)

<sup>6</sup> 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 desk-based review was supplemented by interviews with the Project Developer, Validating VVB, Verifying VVB and Complainants and information provided by stakeholders and available publicly.

## (b) Interviews

Subsequent to the desk-based review, the investigation team organised a series of interviews with stakeholders. The questions asked by the investigation team were from the perspective of establishing any discrepancies/gaps and any conflicts of interest that may have arisen.

Stakeholder	Scope	Description
Project Developer	To confirm that the information provided in the project documentation is accurate and to understand their responses to the complaints made	Submitted written responses, also provided additional information with evidence (October 10 <sup>th</sup> 2019)
Complainant	To understand the issues raised and get their opinion on the process followed by the project developer to obtain certification as mentioned in the documents (PDD, passport etc.) submitted	The investigation team interviewed Madeleine Staaf Kura on August 7 <sup>th</sup> , 2019, who also submitted written responses, also provided additional information with further evidence
Validating VVB – RINA	To understand how the claims made by the PD in the documents submitted for design certification were assessed and to get their opinion on the issues raised by the complainant and capture their understanding of this	The investigation team interviewed Tugce Kirati On August 23 <sup>th</sup> 2019, who also submitted written responses, also provided additional information with further evidences
Verifying VVB – RE Carbon	To understand how the claims made by the PD in the documents submitted for performance certification were assessed and to get their opinion on the issues raised by the complainant and capture their understanding of this.	The investigation team interviewed Anıl Söyler, Sandeep Kanda on September 04 <sup>th</sup> 2019, who also submitted written responses, also provided additional information with further evidences
Local Stakeholders	To review the level of stakeholder engagement and understand the Project history both from the perspective of Project owner and affected stakeholders	The independent experts interviewed project developer, Complainant, mukhtars of three directly impacted project settlements, and affected stakeholders and prepared a written report.

## (c) Appointment of experts

The investigation team appointed independent experts;

- i. **Firat – İzgi Attorney Partnership**<sup>7</sup> as a **Legal expert** to evaluate

<sup>7</sup> <http://www.firatizgi.com/>

- Whether the project demonstrates compliance with all federal, state, and local regulations required for lawful implementation and operation in the host country
- If there are any ongoing /pending legal proceedings against the project and/or their owners
- If the recent court decisions/proceedings refer to any of the allegations made against the project. If yes, how the case proceedings considered shall be read in the context of the allegations.

The legal expert prepared a legal report based on evaluation of the cases filed against the project GS2542, and the assessment of the current situation of the project within the scope of relevant Turkish laws and regulations.

**ii. Social Risk Management (SRM)<sup>8</sup> as field expert to evaluate**

- how the on-ground project circumstances are in line with the project claims on meeting all Gold Standard safeguarding principles and Do No Harm criteria
- whether the project is delivering the sustainable development benefits it has set out to achieve and as stated in the relevant Gold Standard documentation
- whether the stakeholder consultation related information provided in the Gold standard documentation is accurate and the stakeholders on the ground agree with the project benefits
- ownership of the project and that the title to the project and the land etc. is in line with the information provided to Gold Standard at time of certification.

On behalf of SRM, senior experts - Ece Kilicozlu and Sadik Avci conducted the field visit on November 6<sup>th</sup>, 2019 and prepared Stakeholder Engagement Audit Report based on field visit and interviews with the stakeholders.

**4. Fact findings and analysis**

With a summary of allegations, the findings and analysis are presented in the following sections.

**4.1. Allegation 1. Breaches of Gold Standard principles concerning safeguarding and Do No Harm**

**(a) Summary of allegations**

- i. The project is near 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.
- ii. 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 residents, including not meeting the minimum noise criteria established by World Health Organization (WHO) and local regulations.

<sup>8</sup> <http://www.srmdanismanlik.com>

**(b) Fact findings**

i. The investigation establishes:

- If the project sufficiently identified the potential negative risks following the Gold Standard safeguarding principles and requirements? And//
- If the project identified adequate mitigation measures and indicators for how they would be monitored? And//
- If the project implemented mitigation measures to avoid, mitigate, or repair them, in line with the planned mitigation?

ii. Projects seeking Gold Standard certification are required<sup>9</sup>;

- to assess the risk that the project activities will have severe negative environmental, social and/or economic impacts through a ‘Do No Harm’ Assessment (VII.a.1), and
- to demonstrate that their project activities will have clear sustainable development benefits through a Detailed Impact Assessment (VII.a.2.), and
- to elaborate a Sustainability Monitoring Plan to assist in monitoring the impact of project activities on sustainable development and in verifying that the project has indeed contributed to sustainable development and/or severe negative environmental, social and/or economic impacts are prevented (VII.a.3), and
- that all Projects must fulfil host country requirements on environmental and social impact assessments at the local, regional and national levels (VII.a.4.)
- to 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. (Signed declaration - Annex S: Cover Letter & Annex M: Terms & Conditions)

iii. The project activity involves installation of Wind Turbines, with a total installed capacity of 16 MW at the Çeşme, Ovacık Village, Karlıktepe, Merdiventepe and Çobantepe Sites. To meet the host country regulatory requirements, the project was required to assess environmental impacts which may occur and measures which may be taken at the constructional and operational stages of the relevant project and consents from competent authorities as to the fact that there was no obstacle for the construction of the project. The project prepared and submitted the Project Introduction File (PIF)<sup>10</sup> to Izmir Provincial Directorate of Environment and Urbanisation. Based on findings described in PIF, the project was granted exemption that the “Environmental Impact Assessment (EIA) is Not Required” decision no. 492 dated 21.05.2008<sup>11</sup>.

<sup>9</sup> *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 development & b. ‘Do No Harm’ Assessment.

Signed declaration - Annex S: Cover Letter & Annex M: Terms & Conditions

<sup>10</sup> Project Introduction File - DE Planlama Insaat Danismanlik San. ve Tic.Ltd. Sti

<sup>11</sup> Izmir Governorship Environment and Urbanization Directorate: EIA Not Required Certificate

- iv. To demonstrate compliance with the Gold Standard requirements, the project conducted Sustainability assessment<sup>12</sup> including Do No Harm Assessment and detailed Impact Assessment – Sustainable Development Matrix. The project developer duly disclosed their assessment of the potential adverse impacts that may occur during the construction and operational phase and identified the mitigation measures to avoid or minimise such impacts. The Validating VVB, RINA validated the assessment and provided the list of documents that VVB referred to audit the information. The VVB claimed that all negative risks were discussed with the stakeholders during the site visit and considered in line with the Gold Standard Do No Harm assessment and Sustainable Development assessment requirements.
- v. A court case was filed for the annulment of (i) the decision of “Environmental Impact Assessment not required” dated 21.05.2008 and numbered 492, which was given for the wind power plant planned to be constructed in the area including the parcels belonging to the plaintiff and (ii) the decision of the Regional Commission for the Preservation of Natural Assets dated 19.07.2012 and numbered 138, which found it appropriate to shift the planned facility area in the 1<sup>st</sup> degree natural protected area to a 3<sup>rd</sup> degree natural protected area.
- vi. During the course of case proceedings, the court appointed a panel of experts to determine whether the decision of “Environmental Impact Assessment not required” was accurate, considering the characteristic of the plant, as well as the environmental characteristics of the project’s impact area and whether the impact area of the project was sufficiently and correctly determined in the project documentation. The expert committees’ findings<sup>13</sup> confirmed that
  - a) The closest Wind Turbine to any settlement is located at approximately 750 meters; however, no risk to residents has been identified
  - b) On several occasions including pre and post-implementation, noise measurements were conducted at different locations around the project site, which also includes sites within the village of Ovacik. The findings confirmed that the noise levels were within the relevant regulation (>65 dBA) and the project does not cause any unacceptable noise pollution. Also, it should be noted that the noise measurements were assessed in terms of cumulative impact of wind power projects in the area, including GS2542, though not required by law.
  - c) Based on the field measurements taken for electromagnetic environmental impact assessments that have been taken at the installation stage and after installation, the expert committee findings confirmed that project does not pose any risk for general public health in the settlements around the project.
  - d) There is not any natural or protected sensitive ecological area in the project site and in its near vicinity. As a consequence, any varieties requiring protection which are contained in the red list of the endangered varieties prepared by [Convention on International Trade in Endangered Species of Wild Fauna and Flora](#) (CITES) and [International Union for Conservation of Nature](#) (IUCN) and in the list in Annex I

<sup>12</sup> Gold Standard Passport - Çeşme Wind Power Project, Turkey

<sup>13</sup> Republic of Turkey Izmir Administrative Court No. 5 Expert’s Report (2016/969)

to the BERN Convention- [Convention on the Conservation of European Wildlife and Natural Habitats](#) are not available in the flora spreading across the project site and in its near vicinity. It is also stated that there are species required to protect under the Bern Convention and IUCN Red List and that the species in question widely spread but are not endemic or locally endemic specific to the region.

- e) Soil properties in the project area are not suitable for the cultivation of a great many agricultural varieties with high economic value due to both their structure and their ecology, the area is included in the “marginal land” class. It is evident that agricultural fields in the land in and around the project site have been affected by extreme natural events (storm, high temperature, rainfall, flood) during the past period of approximately 50-60 years. The project is not expected to have any adverse impact on the agricultural crops available in the area during the operation of the plant, considering the ecological and climatic requirements and development of the agricultural varieties.
  - f) Construction works performed under the project (road construction and sites where turbines are to be erected) have had effects in a limited section as compared to the whole site. All the road and areas in question are degraded maquis vegetation and the impact thereof on the habitats of fauna species in such areas of which structure is modified is observed to be limited.
  - g) The site of the administrative facility planned in the 1<sup>st</sup> Degree Natural Protected Area be shifted to the 3<sup>rd</sup> Degree Natural Protected Area on 04.11.2016
- vii. The panel of experts concluded that
- a) studies were carried out for any environmental impacts which may occur at the constructional and operational stages of the operation under the “Project Introduction File” prepared for the project
  - b) detailed studies which also revealed cumulative impacts were especially carried out according to the results of measurements taken in the field about the magnetic field, birds and noise pollution under the project, by the experts who are specialised in their own respective areas
  - c) the decisions “Environmental Assessment Is Not Required” and “Shifting the Administrative Facility Planned in the 1<sup>st</sup> Degree Natural Protected Area to The 3<sup>rd</sup> Degree Natural Protected Area” related to the project are scientifically and technically appropriate.
- viii. The project developer demonstrated that project obtained all clearances from the host country agencies and met regulatory obligations. The project developer referred to the detailed studies to demonstrate that the project didn’t cause any negative impact - also reported by Expert Panel appointed by the Court. The project identified potential risk to Employee health and safety<sup>14</sup>, for which mitigation measures were put in place and are being monitored following Gold Standard requirements.

- ix. Concerning the potential impact to cultural and archaeological heritage, the Project developer presented a letter issued by the experts from Ministry of Culture and Tourism<sup>15</sup> stating that no cultural property has been encountered in the analysis conducted on the field and archive scanning.
- x. Concerning the noise pollution, the project developer stated the same fact as reported by the Panel of experts that the noise levels are within the permissible limit. The verifying VVB, RE Carbon also verified the Noise Assessment reports<sup>16</sup> to confirm the project developer's claims.
- xi. Concerning the safety risk to locals and their livestock, the project has safety measurements in place, which includes, site monitoring by 2 security personnel 3 technical personnel and 22 cameras and wire fencing of turbines, installation of warning plates around the project site.
- xii. The VVB, RE Carbon conformed that the Project developer provided necessary documents and GPS coordinates of the wind turbines to verify the project location. The VVB pointed out that the project could be in the borders of Sarnic area, as mentioned in the grievance letter, but the closet settlement is Ovacik Village. It was verified checking electricity generation licence issued by EMRA, validation report, third-party reports like ornithology report, noise assessment report and the expert panel's report. Also, the VVB mentioned that no risks were identified or reported during the site visit and discussions with the stakeholders. The VVB also confirmed that all relevant documents like noise assessment report etc. were provided by the project developer to demonstrate that noise level is with the permissible limits.
- xiii. During the field visit, SRM experts interviewed local stakeholders and noted that the stakeholder raised concerns; among others; decrease in agricultural production, damages to land/crops, obstruction to agricultural production during the construction phase. However, the experts highlighted that the impacts stated are those voiced by stakeholders and actual impact assessment was out of the scope of study. The stakeholder's declaration was only used to identify the relevant stakeholders.

**(c) Analysis and conclusion**

- i. The project developer conducted detailed studies to assess the potential negative risks of the project activity to obtain clearances from the relevant agencies and to meet regulatory obligations of the host country. Where any risk was identified, for example, health and safety, the project developer implemented the mitigation measures following Gold Standard requirements.
- ii. The Validating and Verifying VVBs audited the potential impacts based on field visits, discussions with stakeholders and findings were supported by documentary evidence such Project Introduction File (PIF), electricity generation licence, third-party reports like ornithology report, noise assessment report, etc.
- iii. During court proceedings, the appointed panel of experts' findings also confirms that the project is scientifically and technically appropriate and no likely adverse impact

<sup>15</sup> Ministry of Culture and Tourism Letter

<sup>16</sup> The Report of Analysis of Environmental Noise, 2015

was identified or reported. As of today, the decision “Environmental Impact Assessment (EIA) is Not Required” has also been upheld by the court.

- iv. To the best of investigation team’s findings, no evidence was found to confirm the allegations that project has caused negative impacts. However, it should be noted that the project has failed to liaise with stakeholders to address their concerns regarding the potential adverse impacts of the project.

#### **4.2. Allegation 2 - Failure to provide sustainable development benefits**

##### **(a) Summary of Allegation**

- i. It is alleged that the project does not contribute to sustainable development and the project activity has caused negative impacts on local agricultural and tourism activity.

##### **(b) Fact findings**

- i. The investigation establishes:
  - If the project sufficiently assessed and demonstrated the Sustainable development benefits following the Detailed Impact Assessment – Sustainable Development Matrix? AND//
  - If the project received 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?
- ii. According to the applicable [Gold Standard requirements<sup>17</sup> Section VII](#), the project
  - shall have clear sustainable development contributions through completion of a detailed Gold Standard Sustainable Development matrix. The project is required to consider expected positive and negative impacts across three dimensions – environmental, social and techno-economic.
  - 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.
- iii. For the Gold Standard certification, the project conducted a detailed sustainable development impact assessment against pre-defined twelve Sustainable Development

<sup>17</sup> [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

Indicators covering three categories: Environment, Social Development and Economic.

- iv. As presented in the Gold Standard Passport<sup>18</sup>, out of twelve Indicators, the project is expected to create positive impacts on Air quality, Water quality and quantity, Quality of Employment, Quantitative employment and income generation, Balance of payments and investments. The project has designed monitoring, reporting and verification plan to track the progress for positively scored impacts.
- v. The project scored neutral<sup>19</sup> on remaining Sustainable Development indicators which includes Soil conditions, Other pollutants, Biodiversity, Livelihood of the poor, Access to affordable and clean energy services, Human and institutional capacity and Technology transfer and technological self-reliance. Based on PIF and registration review, the potential risks of negative impacts such as Noise pollution, impact on Migratory Bird & Bats, landscape visual were discussed with the project developer. Referring to PIF and other supporting studies, the project developer demonstrated that the project is not expected to cause negative impacts concerning Noise Pollution and Landscape view; while adopted precautionary measures such as ensuring the sufficient distance between the turbines, colouring the turbine wings etc. to avoid any negative impact on birds and bats. Also, to ensure the effectiveness of these measures, the project included 'Number of observed bird strikes' as a monitoring parameter.
- vi. Following the Gold Standard requirements, the project developer discussed the project and its impacts; both positive and negative, with the stakeholders as presented in the Gold Standard Passport. The Validating VVB, RINA also attended these discussions and was able to verify the stakeholder engagement approach followed and information presented in the Gold Standard Passport is a true representation of the events and the facts.
- vii. The Validating VVB, RINA conducted the validation audit including a site visit, stakeholder interviews and documentary checks. The VVB representative was able to walk through the audit process and information presented in the validation report. The VVB acknowledged that there are some minor inconsistencies in the audit report<sup>20</sup>, however those are unintentional and inadvertent in nature. For example, not mentioning the biodiversity as monitoring parameter – which was included in the project monitoring plan at a later stage of registration review process.
- viii. The Verifying VVB; RE Carbon conducted verification audit for of 1<sup>st</sup> Monitoring period. The verification audit included a site visit, stakeholder interviews and document check. Based on documentary evidence, field observations and discussions with stakeholders, the VVB verified that the project conducted monitoring as per registered monitoring plan and contributed positively to Sustainable Development. The

<sup>18</sup> Gold Standard Passport - Çeşme Wind Power Project, Turkey

<sup>19</sup> Neutral Score implies that no negative impact of the project has been identified or if there is any it will be fully mitigated by identifying and implementing appropriate mitigation measures.

<sup>20</sup> Gold Standard Validation Report - Cesme Wind Power Project, Turkey, Report N° 2014-Tq-61-Md issued by RINA RINA Services S.p.A. (RINA)

audit team cross-checked the ornithology reports<sup>21</sup> and discussed with stakeholders to verify that there is no adverse impact on birds. In addition, VVB also noted in verification report that in past Stakeholder raised concerns regarding noise level caused by the project activity. The VVB reviewed Noise Assessment reports<sup>22</sup> to verify the noise level and found the project within the permissible limit. The project developer has also provided a letter confirming results of noise measurements reports<sup>23</sup> and by Izmir Metropolitan Municipality<sup>24</sup>.

- ix. The project discussed continuous input/Grievance mechanism with the stakeholders and provided comment book to the Mukhtar of Ovacik Village as confirmed by the Validating VVB. However, the comment book was found missing during the verification site visit, as noted in the verification report. The project developer has provided a new comment book to Mukhtar of Ovacik Village.
- x. Concerning the negative impact on agriculture, the project developer referred to findings of Panel of Experts which concluded that the project is not expected to have adverse impacts on the agricultural crops available in the area during the operation of the plant, considering the ecological and climatic requirements and development of the agricultural varieties. The project developer highlighted that the project area is being used for honey and milk production to demonstrate stakeholders that there is no negative impact on agriculture production or bees. In addition, the project has planted 14000 tree saplings in its boundary.
- xi. Concerning the negative impact of the project on tourism activity in the region, it is difficult to determine the potential impact on tourism activities. In general, publicly available information indicates a growing trend in number of tourists and tourism-related business opportunities in the region. Having said that, it does not conclude the project's impact in one way or other.
- xii. During the field visit, the SRM experts interviewed local stakeholders - mukhtars of three directly impacted project settlements, affected stakeholders<sup>25</sup>, project developer and complainant. The experts identified gaps in project's stakeholder engagement and pointed out that
  - the project developer didn't engage affected stakeholders in a transparent manner
  - the project developer didn't interact with the stakeholders who were protesting the project due to potential negative impacts and land acquisition process,

<sup>21</sup> ABK Çeşme-RES Genel Ornitolojik Değerlendirme Ekim, 2016-2

<sup>22</sup> The Report of Analysis of Environmental Noise, 2015

<sup>23</sup> Noise Level Assessment Report, 2017

<sup>24</sup> İzmir Metropolitan Municipality Letter about Noise, 2018

<sup>25</sup> SRM for field visit randomly selected the stakeholders and defined the Project Affected Populations (PAPs) as the residents whose land have been acquired by the Project, or who are residing in close proximity to Project site and had been impacted by Project's construction phase impacts such as damages to crops, obstruction to parcels, traffic impact, dust and noise impacts; and are prone to Project's operational impacts such as noise, quality of life and livelihood impacts. SRM report.

- the stakeholder engagement is not fully transparent for example the stakeholders were not invited to the meeting, provided access to grievance book, and stakeholders are not aware of grievance process established at the project level.

**(c) Analysis and conclusion**

- i. The project developer followed the Gold Standard Sustainable Development Matrix to identify relevant Sustainable Development benefits, potential negative impacts of the project, mitigation measures and accordingly designed the monitoring reporting and verification plan. The project monitored contributions to selected Sustainable Development indicators for 1<sup>st</sup> monitoring period. However, the project failed to engage the stakeholders transparently to address their concerns regarding potential negative impacts, stated in the grievance and also reported by the external experts. It should be noted that some of the stakeholder's concerns such as noise pollutions, impacts on agricultural productions are not found relevant as concluded by the panel of experts and VVBs. However, due to the lack of continuous stakeholder engagement, the project developer failed to take stakeholders' concerns into account and address them as required by the Gold Standard certification.
- ii. During the validation and verification audits, the VVBs were able to audit the project information supplied by the project developer, however, failed to identify the gaps in stakeholder engagement. For example; the Validating VVB, RINA reported that the stakeholders were consulted and were in agreement with the project assessment of both positive and negative impacts. The VVB failed to register and report on ongoing protest against the project as reported by the expert.
- iii. The expert's finding and other supporting studies do not confirm any adverse impact on the environment and local stakeholders including agricultural production. However, stakeholder's feedback on both positive and negative impact is equally important to ensure that project indeed has the net positive contributions to sustainable development. The investigation team is of the opinion that despite positive opinions from VVBs the project didn't fully comply with the Gold Standard requirements especially with regards to engaging the stakeholders and considering their opinion on sustainable development assessment of the project.

**4.3. Allegation 3 Failure to include relevant stakeholders/conduct a stakeholder consultation**

**(a) Summary of allegation**

- i. It has been alleged that
  - Relevant stakeholders (such as landowners and local citizens) were not invited to consultations,
  - No public announcement was made regarding the stakeholder consultation meetings.
  - No real stakeholder meeting was organised or carried out.
  - Signatures of stakeholders have been forged promising return favour for attending the stakeholder's meetings

- ii. In addition to the above, the project has been accused of threatening stakeholders with and via court.

**(b) Fact findings**

- i. The investigation establishes:
  - if the project followed Gold Standard requirements with regards to complimentary stakeholder consultation as an outcome of pre-feasibility assessment? And//
  - if the validating and verifying auditor were able to verify the information provided to meet the follow-up requirements? And//
  - if the project implemented a formal continuous input/ grievance mechanism and followed outlined procedure to address stakeholders' concern if received any?
- ii. A two-step stakeholder consultation must take place as per Gold Standard Requirements, i.e. the Local Stakeholder Consultation (LSC) and the Stakeholder Feedback Round (SFR). The LSC meeting takes place at the design phase of the project. For retroactive cycle projects when no stakeholder consultation has taken place as per Gold Standard procedures, a physical meeting might be necessary during the SFR.
- iii. According to the Gold Standard requirements<sup>26</sup>, project submitted under the retroactive registration cycle (i.e. projects that have already started the implementation of the project without carrying out a local stakeholder consultation meeting in line with GS requirement) are required to undergo a Pre-feasibility Assessment<sup>27</sup> are not expected to conduct a pre-implementation Local Stakeholder Consultation per se (since this opportunity has already passed) 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. The project is a retroactive project and opted for Fast Track option and hence didn't go through the full pre-feasibility assessment. As part of SFR, the project organised the stakeholder meeting on 25<sup>th</sup> November 2014 and SFR lasted until 12<sup>th</sup> March 2015.
- iv. All projects applying for Gold Standard registration shall proactively seek stakeholders' feedback on the project and must have a formal continuous input/ grievance mechanism in place ([Gold Standard Requirements Section VIII. b](#)).
- v. The project developer claims that local stakeholders were informed about the meeting in advance via announcements through the village head and posting the announcement local coffee shop located in Ovacik Village. The meeting was attended by the residents and member of Mukhtar committee of Ovacik village, project developer and VVB;

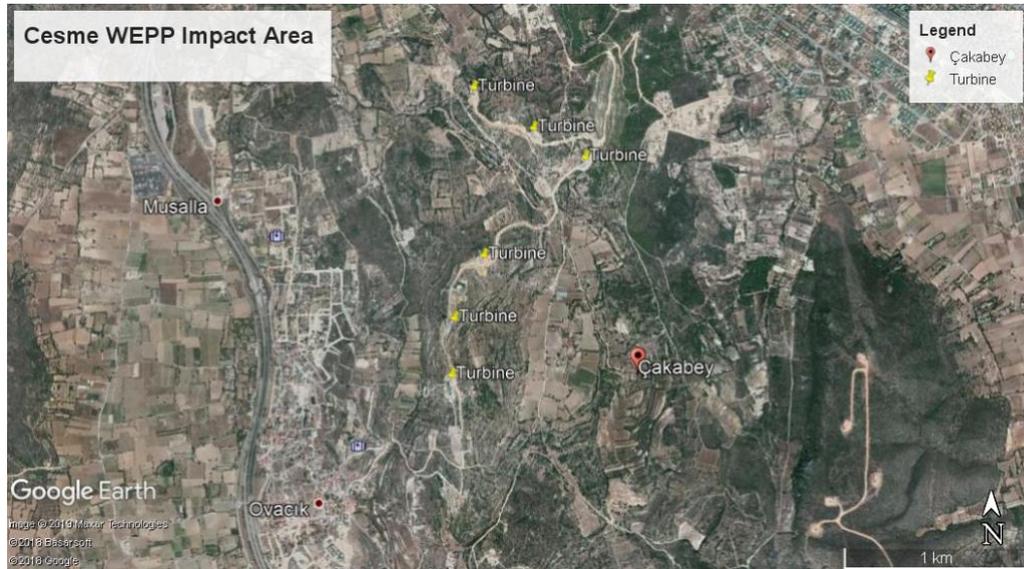
<sup>26</sup> Gold Standard Principles: Principle 3: The project shall involve all relevant stakeholders. [Gold Standard requirements Section VIII. b](#). Local Stakeholder consultation and VIII.d. Stakeholder feedback round

<sup>27</sup> Either a full PFA or fast-track PFA. The project developer may choose to fast track the pre-feasibility assessment as long as the VVB contracted for validation complies with the eligibility criteria (which include requiring the VVB to demonstrate that they are well versed with GS requirements and are able to ascertain that the project meets GS requirements despite not being implemented after the stakeholder consultation meeting is done) stated in Gold Standard Annex P and the project type is eligible for fast-tracking.

RINA. The project claims that local NGOs were also invited to the meeting, but none attended. Project provided documentary evidence to support the statements that invitations were sent to local stakeholder and NGOs.

- vi. The Validating VVB, RINA interviewed stakeholders who attended the meeting and visited the coffee shop located in Ovacik village. The VVB didn't receive any negative comment from stakeholders during the interview.
- vii. Following Gold standard requirements, the project documents, in English and Turkish were shared publicly via <http://bizden.lifenerji.com/yerel-halki-bilgilendirme-surecindeki-projeler/cesme-res/> and hard copies were made available via Head of Ovacik Village for stakeholder feedback. The stakeholders, including Gold Standard, were invited via fax, mail, telephone to provide feedback during SFR. No negative comment was received during SFR, as well.
- viii. As presented in the Gold Standard Passport and confirmed by the project developer and Validating VVB during discussions, grievance mechanism was discussed and put in place with following elements – Continuous Input Process Book was provided to Mukhtar of Ovacik village. Contact address of mukhtar: Mehmet KOÇ, Telephone number and email IDs of project representative.
- ix. The verifying VVB, RE Carbon also interviewed the local stakeholders during the verification site visit. The VVB confirmed that stakeholders didn't have any specific complaints with regards to the project except for the noise issue for which they had complained previously, and the noise assessment report was provided by project and issue was resolved. The VVB also confirmed that the stakeholders had the contact details of project developer but reported that the comment book was not available at the site and therefore a new comment book was issued to Mukhtar to record any complaints in the future.
- x. During the investigation, Gold Standard appointed SRM to conduct an independent compliance audit of Stakeholder Consultation organised for the project to meet Gold Standard requirements. The scope of the audit was to assess if the stakeholder identification and consultations were in line with Gold Standard requirements including establishing the Grievance mechanism, identification of Sustainable development benefits and Risk (environmental/social/economic) of the projects.
- xi. As part of field study, the experts from SRM visited the project site on November 6<sup>th</sup> 2019 and interviewed the project representative, complainants, stakeholders living in the project area and whose land was acquired for the project implementation; and had a direct impact from the project and mukhtars of three directly impacted nearby settlements. In addition to on-site consultations, Ovacik Village Mukhtar was interviewed on the phone regarding past stakeholder engagement and impacts of the project. To ensure the inclusiveness of all stakeholders about the compliance audit, Cesme Municipality representative was also contacted to gather Mayor's views however the mayor could not be met due to his busy schedule.
- xii. The experts' findings are summarised below;
  - The project impacted 3 settlements, Ovacik, Musalla and Cakabey neighbourhood (Map 1). The Project developer agreed that all three neighbourhoods are equally impacted by the Project.

- The project developer didn't identify the stakeholders as per Gold Standard requirements - stakeholders with land tenure rights within the Project area were excluded from consultations after the first round of failed negotiations.



- The stakeholder meetings and SFR were not widely announced. The invitation was posted on the local coffee house in Ovacik and stakeholders from other two neighbourhoods were not invited proactively for the meetings and for SFR.
- The project information was not disclosed to all stakeholders by the project developer.
- The project claims that no comments were received during SFR, though the local stakeholders were raising concerns and protesting the project since its start.
- Lack of grievance filing indicates that the current grievance input mechanism is dysfunctional. None of the consulted stakeholders had any information on grievance mechanism or past project information. The Mukhtar of Ovacik who had signed the stakeholder meeting proceedings stated that they did not have information on grievance mechanism, and they filed their grievances to the local Governorate rather than Company. In addition, there is no monitoring or provision to share regular information with stakeholders.

### (c) Analysis and conclusion

- The review of stakeholder engagement and stakeholder consultation revealed that the project developer did not comply with Gold Standard stakeholder engagement requirements. Despite the two-round consultations held, the stakeholder engagement was not inclusive, transparent and open to all stakeholders. The stakeholder engagement was limited to only to the residents of Ovacik village and the stakeholders from other nearby villages Musalla or Cakabey were never engaged.
- Lack of grievances for such a project that is widely protested and covered in the media demonstrates the lack of a functioning grievance mechanism. The project developer failed to establish an appropriate ongoing input mechanism and continuous stakeholder engagement – a must have requirement for all Gold Standard projects.
- The VVBs limited the scope of validation and verification audit to the information supplied by the project developer and only interviewed stakeholders who were invited to

the meeting by the project developer. The VVB failed to identify the gaps in stakeholder engagement.

- iv. The investigation team is of the opinion that despite a positive opinion from VVBs<sup>28</sup> regarding stakeholder engagement, the project didn't fully comply with the Gold Standard requirements especially with regards to the identification of stakeholders, proactively engaging the stakeholders and considering their feedback. In addition, the project failed to establish an appropriate ongoing input mechanism and continuous stakeholder engagement – a requirement for all Gold Standard projects.
- v. The project has also been alleged for threatening stakeholders with and via court and lawsuits. The investigation team is of the opinion that this allegation is beyond the scope of the current investigation.

#### **4.4. Allegation 4 - Failure to comply with relevant local laws**

##### **(a) Summary of allegation**

- i. The project has been alleged for violation of local and federal court verdicts and engaged in corruption. Even though the emergency expropriation decision and the project plan has been cancelled, the project is operational.

##### **(b) Fact findings**

- i. The investigation establishes
  - if the project demonstrates compliance with all federal, state, and local regulations and standards that govern and are relevant to this project? And//
  - if there are any legal findings against the Project or any open court cases that could lead to this?
  - If the project violates the signed declaration as included in Annex S: cover letter?
- ii. According to the Gold Standard requirements Section VII. a.4<sup>29</sup>, 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. And, the project shall adhere to Gold Standard principles anytime during project crediting life.
- iii. ABK Çeşme, the project applied to İzmir Governorate on 01.03.2008 for the environmental impact assessment of the project and the application was deemed to be

<sup>28</sup> The Gold Standard can relook at certification decisions/audit opinions despite a positive assurance from VVB in exceptional cases for e.g. when a stakeholder submits a grievance on a project.

<sup>29</sup> [The Gold Standard Requirements](#): Section VII.a.4. Local, region and national Environmental and Social Impact Assessment Requirements.

[Gold Standard Principles](#): Principle 3: The project shall involve all relevant stakeholders

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positive and decision of “Environmental Impact Assessment not required” numbered 492 and dated 21.05.2008 was granted to ABK Çeşme<sup>30</sup>.

- iv. The Energy Market Regulatory Authority (“**EMRA**”) issued the production license dated 11.03.2010 and numbered Ü/2461-6/1600 to ABK Çeşme for the Çeşme Wind Power Plant. Within the scope of the information announced by EMRA, it has been determined that the relevant power plant entered into operation on 20.06.2015.
- v. It was decided by EMRA with the act dated 07.03.2013 and numbered 4307/83 that the expropriation of the immovable of Bebek İnşaat located in Çeşme District, Musalla Neighborhood, 416 Island, Parcel No 12, Island 530, Parcel 2, İzmir was in favour of public interest. In line with EMRA’s decision, the Council of Ministers decided<sup>31</sup> to urgently expropriate the immovables located within the boundaries of the wind power plant.
- vi. During the investigation, Gold Standard appointed Fırat – İzgi Attorney Partnership to evaluate the legal status of the project within the scope of relevant Turkish laws and regulations. According to the expert’s findings
  - Numerous actions were brought by stakeholder against the project regarding
    - i. Cancellation of expropriation decisions,
    - ii. Cancellation of the Conservation Development Plan and Conservation Implementation Development Plan regarding the construction area of the wind power plant,
    - iii. Cancellation of the production license,
    - iv. Cancellation of the decision of “Environmental Impact Assessment not required”, which was provided to the wind power plant planned to be constructed in the area.
- vii. After reviewing the case proceedings, the expert determined that
  - the following lawsuits have resulted in favour of the Project; decision on whether to cancel the production license and the decision to dismiss the case for the annulment of the decision of “Environmental Impact Assessment not required” regarding the area where the wind power plant will be. As per the mentioned decisions; the courts concluded that
    - i. the wind power plant established by ABK Çeşme was established in a region which has high wind potential,
    - ii. the project aimed to meet the electricity demand of the country and
    - iii. the license was obtained upon evaluation of the geographical and environmental situation of the region. Therefore, the production license granted to the project was found to be lawful by the court and is currently valid. However, the expert identified that the stakeholder has filed for an appeal against the dismissal of the case by the court, but no decision has been taken on this issue yet. Thus, whether the decision to grant production license to ABK Çeşme was in conformity with the law or not, has not been finalized yet. Therefore, the appeal process should be observed for the final outcome.

<sup>30</sup> İzmir Governorship Environment and Urbanization Directorate: EIA Not Required Certificate

<sup>31</sup> Council of Minister’s decision dated 25.03.2013 and numbered 4523.

- the courts have also held decisions which could be regarded as against ABK Çeşme. In this context, cancellation decision of the Conservation Development Plan and Conservation Implementation Development Plan regarding the area, the decisions of EMRA and the Council of Ministers regarding the expropriation of the immovables were cancelled on the grounds that the stakeholders have been deprived of legal basis due to the cancellation of zoning plans for immovables. As per Turkish law, the Ministry of Environment and Urbanization should prepare new zoning plans and after commencement of the zoning plan, it is possible for the concerned persons to raise their objections to the relevant authority. The objections shall be evaluated and resolved within thirty days at the latest by the relevant Administration. However, cancellation of the old plans does not result in automatic invalidation of land usage license granted to the project but would be evaluated according to the conditions introduced in the new zoning plan. In this respect, the experts are of opinion that the building license and residential usage license owned by the project for the relevant wind power plant remain valid and cancellation of the development plans shall not invalidate the relevant licenses automatically.
- Regarding cancellation of the urgent expropriation procedures<sup>32</sup>, the court stated that the ordinary expropriation procedure should have been followed for the immovable properties of stakeholders. A relatively longer process will have to be followed as the court rendered a decision that required relevant properties' ownership to be transferred to the government within the scope of the ordinary expropriation procedure.

**(c) Analysis and conclusion**

- i. The project has obtained necessary licenses and approvals to construct and operate the project in the host country. The project also demonstrated compliance with the host country regulations and adhered to them.
- ii. Considering the above-mentioned judicial proceedings, it has been determined that the conservation development plan and conservation implementation development plan were cancelled along with the decisions of EMRA and the Ministry which are based on such development plans. In this context, contrary to the commitments and declarations of the project, the necessary administrative and legal processes have not been completed yet especially the expropriation of the immovables on which the power plant is located. With that said, it is also correct to say that the project met all the necessary conditions in relation to “Do No Harm Declaration” and “Declaration of Compliance with Local Laws” on the date of signature. It is still possible for the administration to carry out the necessary expropriation processes by taking the matters specified by the courts into consideration. In this way, a lawful expropriation decision

<sup>32</sup> As per the ordinary expropriation procedure, the following steps should be followed; **(i)** the purchase procedure with the owner of the immovable, **(ii)** appraisal of the property, **(iii)** if agreed with the owner, carrying out the necessary transactions in the land registry, **(iv)** otherwise, determination of the expropriation value by the Administration and filing a registration lawsuit and **(v)** transfer of ownership to the Administration upon completion of all steps. The urgent expropriation procedure is an exceptional institution in Turkish administrative law and can only be applied under certain conditions. In this procedure, firstly, the value of the immovable is appraised, and its ownership is transferred to the administration. Other procedures are carried out after the transfer of ownership.

may be adopted, especially following the preparation of the proper development plans. In such a case, the project would be able to fulfil the commitments made for project in the following process.

- iii. The investigation team is of the opinion that though the project license is valid, the project didn't proactively inform Gold Standard regarding legal status and ongoing cases and therefore didn't fully comply with the Gold Standard requirements.

#### **4.5. Allegation 5 False or misleading information contained in Monitoring Reports**

##### **(a) Summary of allegation**

- i. 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.

##### **(b) Fact findings**

- i. The investigation establishes
  - If the project transparently shared project information publicly following GS requirements.
- ii. According to the GS principles<sup>33</sup>, the project 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.
- iii. The project documents were shared publicly via <http://bizden.lifenerji.com/yerel-halki-bilgilendirme-surecindeki-projeler/cesme-res/> for SFR. The documents are still available at this weblink. In addition, all relevant documents were made publicly available via Gold Standard registry, except when the registry was moved from old to new registry system.
- 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.

##### **(c) Analysis and conclusion**

- i. The investigation team acknowledges that there are some minor inconsistencies in the project documents. However, these inconsistencies are unintentional and inadvertent in nature. The project developer and VVBs should have followed a careful approach to avoid such inconsistencies.

<sup>33</sup> *Gold Standard Principles*: Principle 6: The project shall be transparent.

*The Gold Standard Requirements*: Section VIII.f Registration of the project

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- ii. The investigation team is of the opinion that the project complied with Gold Standard requirements.

## **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<sup>34</sup> 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.”<sup>1</sup>

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**

<sup>34</sup> Clause 4 of [Terms and Conditions](#) - The Gold Standard Requirements, in the version applicable on the Date of First Submission of the Project to the Gold Standard; • The Gold Standard Toolkit, in the version applicable on the Date of First Submission of the Project to The Gold Standard (together, with The Gold Standard Requirements, the “Technical Rules”); • The Gold Standard Annexes; • The Gold Standard Brand and Sponsors Manual; and • The Terms of Use of The Gold Standard Registry.

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.
- The project shall also conduct a fresh stakeholder consultation, supplementary to stakeholder engagement for land expropriation processes, with independent third-party oversight, wherein
  - 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;
  - All risks identified by stakeholders are clearly discussed and mitigation planned and monitored over the remaining crediting period;
  - The stakeholders' feedback shall be collected on benefits claimed by the project if required, the sustainable development assessment shall be revisited and updated; and
  - 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.

## **6. Review process**

This report was independently reviewed by Abhishek Goyal, The Gold Standard.

## 7. DECISION MAKING

This report and its supporting documents were provided to a panel of the Gold Standard Technical Advisory Committee (TAC), convened to analyse this assessment and recommended actions. The panel comprised four TAC Members with prior experience in Renewable Energy projects. Following TAC panel's recommendations, the Gold Standard Board has provided approval to the recommendations mentioned in section 5.b by consensus in February 2020 board meeting.

The TAC is wholly independent of the Gold Standard Secretariat and is mandated to decide upon technical matters. The Secretariat is mandated to carry out the recommended actions decided upon by TAC and cannot overturn the TAC decision without further TAC approval.

## EXHIBIT A

### GLOSSARY

CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CO2	Carbon di-oxide
EIA	Environmental Impact Assessment
EMRA	Energy Market Regulatory Authority
GHG	Greenhouse Gas
GSF	Gold Standard Foundation
GS4GG	Gold Standard for Global Goals
GWh	Giga Watt-hr
IUCN	International Union for Conservation of Nature
LSC	Local Stakeholder Consultation
MRV	Monitoring, Reporting and Verification
MW	Mega Watt
NGO	Non -Governmental Organization
PIF	Project Introduction File
PD	Project Developer
PDD	Project Design Document
RINA	RINA Services S.p.A
SFR	Stakeholder Feedback Round
SRM	Social Risk Management
TAC	Technical Advisory Committee
TOR	Terms of Reference
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
VER	Voluntary Emission Reduction
VVB	Validation and Verification Body
WHO	World Health Organization