



Community Benefits Plan

Catalyzing Indigenous Impact from Clean Energy Projects

Overview

A vitally important feature of clean energy projects involving partnerships or collaborations with Indigenous communities is a clear and workable benefits plan.

This Community Benefits Plan (CBP) Guide from Indigenous Clean Energy (ICE), based on many project examples, lays out the following:

- a) The essential requirements, or foundations, for effective community benefits plans (CBPs).
- b) Categories of CBPs to maximize social, economic, and environmental impacts for Indigenous Peoples, organizations, and communities.
- c) Key guideposts for truly just, fair, and equitable clean energy project CBPs.

A. Essential Requirements

Certain requirements or conditions are essential to support the development and implementation of an impact-focused CBP. Without these requirements, there is a very high likelihood that a CBP will not generate substantial and reasonable benefits for Indigenous Peoples and communities.

- 1. Indigenous Project Ownership:** An unfortunate and common practice is to define CBPs as Impact Benefit Agreements (IBAs), separate from clean energy project ownership/participation. That puts Indigenous communities in a subservient position. It is more effective and fairer to have CBPs linked to clean energy project partnerships, which include some manner of Indigenous ownership. Ideally, that would involve the CBP being referenced as a required element of project partnership

agreements/documentation or even a corollary component of the project accord. This means that Indigenous Peoples and communities would be on a more equal footing with project partners, driving impact-focused CBPs.

2. Forging Up-Front, Early-Stage CBPs:

Clean energy proponents, including governments, often introduce a CBP (or an IBA) at a later stage in project development, after most major decisions have been made. This situation almost guarantees that CBPs will not generate the full potential of outcomes for Indigenous people/organizations. Best practice entails scoping a CBP during the early stages of project development, including broad-based Indigenous community engagement to ensure there is support, ideally consensus, for the final CBP.

3. Recognition of Indigenous Lands and Waters:

CBPs generally have an economic and/or social orientation. In some instances, CBPs include environmental impact metrics. From an equity standpoint, CBPs should both recognize traditional Indigenous lands and waters and acknowledge that such sensitive ecological resources need to be protected for future generations. Such a principle embodies the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

B. Community Benefit Categories

ICE has identified nine community benefit categories that should be considered for clean energy CBPs. The best approach is to have all nine community benefit categories included in the CBP, though there will be variations depending on the type of clean energy project.

I. Project Partnering Benefits

Active Indigenous participation in clean energy project partnerships and/or the development process is a type of community benefit. It builds community clean energy know-how, capacity and project planning/implementation experience that can be applied to other projects and initiatives. *Project Partnering Benefits* include the following:

- 1. Project Partnership Negotiations and Experience:** Providing Indigenous people and communities insight into how clean energy projects are structured and financed.
- 2. Joint Decision-Making Protocols:** Language and process-specific requirements in both project partnership documentation and the CBP itself that stipulates that Indigenous communities or their representative bodies are at the table as CBP decisions are made. This should include clean energy capacity-building support for Indigenous communities and people and resourcing of Indigenous CBP decision-making participation.
- 3. Including Indigenous Cultures and Languages:** CBPs can integrate Indigenous cultures and languages in clean energy projects. For example, this can include project funding for Indigenous arts and culture in the project itself, and support for project information in a user-friendly fashion utilizing Indigenous languages, and the use of illustrative and graphic materials rather than complicated technical or legal documentation.
- 4. Committing to Project Transparency:** A CBP should cover the continuous process of project development, construction, and operations. To ensure that the results of a CBP are validated, it requires a commitment to project transparency, disclosing what CBP impacts have been achieved against targets/metrics agreed to and how,

or who, in the Indigenous community had derived such benefits. Such openness fosters confidence that a CBP is working fairly and effectively.

II. Development Stage Benefits

Develop stage benefits in a CBP cover the crucially important period of project assessment, planning and development prior to construction. *Development Stage Benefits* include the following:

- 1. Community Engagement:** Requirements for community engagement in a clean energy project CBP are a necessary benefit, which should be done over the medium to long term, and not simply one-off consultation sessions. Further, financial support for community engagement is also necessary, including funding for travel, provision of food, etc.
- 2. Project Planning & Development:** Direct involvement of Indigenous community members in project planning to build know-how and skills as a part of a CBP that both strengthens the project in question and future projects of all kinds. This requires funding, and potentially Indigenous set-aside positions in the project planning and development team.

III. Land & Waters Benefits

Protection of Indigenous lands and waters is a non-negotiable part of a CBP. However, it can go further. *Lands and Waters Benefits* include the following:

- 1. Ensuring Project Site & Habitat Protection:** The CBP should specify that the site or corridor of a clean energy project will be subject to stringent conditions to protect habitat, wildlife, fishery, traditional access, and food. This should include commitments to mitigate any lands and

waters after construction and through the full period of project operation, especially covering the maintenance and protection of biodiversity.

2. Restoration of Previously Disturbed

Habitat: Clean energy projects may also be able to restore habitats that were disturbed by earlier projects. This can be a valued benefit for communities since the clean energy project will have expert personnel and equipment on site. Examples are soil remediation or waterways restoration.

3. Elders Involvement in Lands & Waters

Protection: The involvement of Indigenous elders and knowledge keepers in clean energy projects at the planning and site development stage is a benefit for community involvement. CBPs should provide funding and regular (even daily) project site/corridor oversight by Elders and knowledge keepers who should have the right to share any concerns they might have with all community members, project partners and government officials.

IV. Employment, Contracting & Procurement Benefits

A major area of clean energy project benefits for Indigenous Peoples and communities is the construction and operating stages of employment and contracting/procurement opportunities. *Employment, Contracting and Procurement Benefits* include the following:

- 1. Employment Realization:** Clean energy projects create a lot of jobs, especially during the development and construction stages. However, ensuring jobs are available and provided to Indigenous people requires a deliberate approach specified in a CBP, including the following arrangements. Firstly, identification of

the type of jobs required to be filled by classification. Secondly, surveying interest and capacity/qualification amongst Indigenous community members. Thirdly, information and training sessions for Indigenous job applicants. Finally, targets for jobs to be filled by Indigenous people, including employment set-asides.

- 2. Apprenticeships & Trade Certifications:** Funding and programs stipulated in the CBP that provides apprenticeships and trade certification support. Such benefit measures build a foundation for ongoing employment in future clean energy and other infrastructure projects, including operating jobs.
- 3. Primary & Sub-Contractor Procurement:** Perhaps the most effective Indigenous clean energy job creation mechanism is to have requirements in the CBP that proactively seeks about Indigenous primary and sub-contractor companies for clean energy projects.

V. Other Construction Stage Benefits

Apart from project construction, certain procurement and jobs can be generated, more so for larger projects that are supported. *Other Construction Stage Benefits* include the following:

- 1. Site & Logistics:** Project site preparation and maintenance, as well as coordination support for clean energy projects.
- 2. Catering:** Construction team food and water services (including local Indigenous community members). Provision of food/water, including a family allotment to take home to Indigenous communities, is a valued and effective way to promote and support Indigenous project employment.

- 3. Transport:** Provision of transport of people and freight/materials to the clean energy project site, which could also involve providing transport services to Indigenous communities.

VI. Materials & Equipment Benefits

As clean energy projects are being constructed and maintained during the operations stage, other opportunities for Indigenous communities to benefit arise. *Materials and Equipment Benefits* include the following:

- 1. Project Materials:** Indigenous communities can benefit from providing materials such as sand/gravel or lumber for the project.
- 2. General Works:** Project site employment and contracting that is needed, such as roadworks improvements.
- 3. Equipment Supply:** Provision of equipment that is leased or used in the clean energy project for a fee. For example, trucks, backhoes, and other such equipment.

VII. Revenue Generation Benefits

Project revenue generation benefits often represent the largest economic benefit Indigenous communities and people can realize through clean energy project partnership and participation. It is especially important since such benefits can extend over a long period of time, extending to the full life cycle of the project. *Revenue Generation Benefits* include the following:

- 1. Project Fees & Charges:** One-time and ongoing charges that relate to land use, leases or water rights that flow directly to the Indigenous community (not to governments). This could also include project participation or management fees that

is paid regularly to Indigenous partners. Such charges and fees can apply even when Indigenous communities/organizations are project partners.

2. **Project Royalties:** Project revenue that is triggered on some regular basis (e.g. annually). Either a set fee (which may increase over time), or a product of a performance metric, such as the amount of clean energy produced or earned. Project royalties generally do not apply in projects where Indigenous communities/organizations are project partners.
3. **Earnings Distributions:** Profit, usually annual, that is earned by the project. In effect, what is available to distribute to project partners after operating costs, financing costs, management fees and contingency requirements are deducted from gross revenue. In most projects, certain financial requirements (such as sufficient funds in the project account to meet future service debt obligations) have to be met before earnings can be distributed.

VIII. Infrastructure-Related Benefits

Clean energy projects connect with infrastructure: either needed for the project or meeting community needs through the project. *Infrastructure-Related Benefits* include the following:

1. **Project Accommodation:** Ensure provisions for project teams housing are assessed under project fees and charges.
2. **Community Infrastructure Needs:** Technical personnel and equipment are required for most clean energy projects. These resources can be utilized to meet the infrastructure needs of the community, such as building a new or upgrading an existing road.

IX. Operating Stage Benefits

As clean energy projects are mostly long-term operations, there is an opportunity for ongoing project benefits above and beyond project revenue generation. *Operating Stage Benefits* include the following:

1. **Project Repair & Maintenance:** Projects need regular maintenance and repair, which is best done by trained local Indigenous personnel or contractors.
2. **Ongoing Project Operating Employment:** All clean energy projects require ongoing operating staff such as site managers, community relations, security, stationery engineers and others. Such positions may require training and certification and are highly valued as they offer sustained employment.

C. Key Guideposts

Following Key Guideposts can help Indigenous Peoples, organizations, and communities maximize clean energy project benefits.

1. **Negotiate Hard and Fair:** A CBP is a vital part of project participation and partnership negotiations. It is imperative that Indigenous interests take a hard and assertive position to protect rights and push partners, including governments, to entrench a range of Indigenous benefits realized through clean energy projects. This may involve assistance for clean energy advisors, financial specialists, and legal firms.
2. **Document Everything:** CBPs need documentation to be effective. Simply put, everything requires documentation, with a firm commitment from project partners and governments: including timelines and targeted metrics linked to specific goals for the benefits described in the previous section.

3. **Continuous Community Engagement:** Effective CBPs require Indigenous communities to be fully engaged at every step of the project. This requires time, commitment, and resources, though it is a non-negotiable factor that reflects UNDRIP.
4. **Clear, Transparent and Regular Project Information:** Linked to the importance of community engagement is the provision of clear, transparent, and regular information. Full disclosure about clean energy projects stimulates trust.

Indigenous Clean Energy

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