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# SOCIAL ACCEPTANCE OF LOCAL RENEWABLE ENERGY PROJECTS

EXECUTIVE SUMMARY

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## Executive summary

***The deployment of infrastructure needed to move forward with the energy transition and the decarbonization of the economy is facing difficulties in many geographic areas due to opposition from the local population***

The phenomenon of rejection of energy infrastructure, known as “not in my backyard” or NIMBY, taking place in geographic areas where projects are located, is preventing the deployment of renewable energies at the desired and necessary pace to achieve the energy transition goals and reach zero net emissions in the economy.

It is of utmost importance to ensure the acceptance and the willingness to participate or even finance renewable energy projects by the local population in local areas, such as municipalities of different sizes, rural areas or city neighborhoods, since the viability and implementation of the projects depend to a large extent on their acceptance by the citizens.

***The development of renewable energy projects can be very positive for the public, involving various social, economic, and environmental benefits, which in many cases are unknown to the public***

Renewable projects generate value by contributing to local economic development and creating opportunities for local suppliers (e.g., of components or services associated with the project facilities in their different phases, such as construction services, cleaning, security, O&M, etc.), leading to the consolidation and growth of local business and employment. In addition, they increase the municipality's tax revenues, an important way to improve and finance local services and facilities. Projects can also create synergies with other economic activities in the surroundings of the projects (e.g., land sharing with agricultural, livestock, or tourism activities) or with other projects (e.g., civil or energy infrastructure development).

In specific cases, the projects may offer outcomes that help promote social acceptance, such as reducing electricity bills or compensation in terms of goods or services. The empirical evidence shows that this type of development generates positive impacts in terms of increased local economic activity and employment and reduces the depopulation trend relative to other rural geographic areas where such developments do not take place.

At the environmental level, there are positive impacts globally (reduction of greenhouse gas emissions) and locally (e.g., natural environment conservation projects or R&D activities related to biodiversity or the natural environment). At the social level, there are multiple benefits related to access to clean energy at affordable prices, empowerment of the population through active participation in developing these projects, greater social cohesion and training, among others.

***Community resistance to the development of energy projects is mainly due to their perception that the costs and benefits or value generation of the project are not equitably distributed***

Community opposition or non-acceptance of renewable projects is often due to limited information on the benefits and characteristics of the project. In addition, the lack of

opportunities and alternatives for participation generates community distrust toward the project developers. Therefore, when there are spaces and opportunities for the population to get involved in the project with different degrees and levels of commitment, the probability of obtaining higher support increases.

***In addition, certain socio-demographic and economic characteristics make people more or less likely to accept or participate in projects (when they are open to active participation)***

In general, the empirical evidence shows that older people, women, people with lower levels of education and income, or with low levels of financial literacy tend to participate to a lesser extent in projects that offer the possibility of active participation or involvement. On the contrary, people with children, financial literacy, and previous experience in volunteering tend to accept and participate in projects to a greater extent.

***A detailed knowledge of the characteristics of the local population increases the possibility of augmenting the levels of social acceptance and citizen participation***

Given that the potential rejection of renewable projects in local settings is mainly due to the particular characteristics of the local population and the perceived positive or negative value of the project, a thorough knowledge of the socio-economic, cultural, and educational characteristics of a particular population will increase the ability of project developers to design appropriate acceptance and participation strategies with a greater likelihood of success.

It is crucial to strengthen the social acceptance determinants and reduce the impact of barriers at the sites where projects are developed. It is also important to bear in mind that subgroups of people within the same population may exist with different perceptions and ideologies and, therefore, different attitudes towards the projects, making it necessary to collaborate directly with the different local groups.

***Actively involving the local population through various mechanisms can also increase the social acceptance of projects***

The evidence suggests that greater social acceptance of projects is achieved when citizens develop a sense of psychological ownership of the projects. This type of ownership is achieved through co-participation mechanisms from the early stages of the projects (i.e., bottom-up approaches where citizens can deliberate and cooperate with developers and public institutions), effective communication and information strategies on all aspects of the developments (technical, economic-financial, and environmental), project designs that take into account the specific characteristics and needs of each local population and area, and a positive perception of the net benefit of the projects.

***There are different forms of citizen participation in projects, including direct financial participation schemes, with or without co-ownership, and other indirect participation schemes***

There are four forms of citizen financial participation: (1) financial participation with full ownership (by the participating individuals); (2) financial participation with shared ownership with other entities (e.g., project developers, municipalities...); (3) financial participation, as

lenders or financiers, through online platforms (e.g., crowdfunding, crowdlending, etc.); and (4) indirect participation, through representatives such as local authorities and other entities. In addition, individuals can actively participate in various activities related to the project's operation, management, or promotion.

The most appropriate form of citizen (financial) participation for a particular project depends on multiple factors, and it is very relevant to understand the preferences of the population in the community involved. In general, the more participation options (involving co-ownership of the project or not) there are, the greater the likelihood of actively involving a relevant and representative part of the local community.

***Benefit sharing and citizen participation schemes are mostly voluntary***

In general, developers decide how to socialize renewable energy projects and what benefits may or may not be shared with the local community. Thus, very restrictive or strict regulations regarding benefit sharing of projects may reduce the incentives for developers.

Although certain mandatory mechanisms seek to encourage the deployment of renewables and citizen participation, they may generate greater resistance from the community, as they are usually standard schemes where the local context has not been taken into account appropriately and where citizens have not necessarily participated in the project development process or the design of the participation or socialization schemes of the project.

***Communicating benefits and other relevant project information clearly and assertively is essential for renewable energy project developers***

Given the variety of local contexts and the different variables that affect citizen perception of the impacts and value generated by renewable energy projects, there is no “one-size-fits-all” solution to achieving social acceptance and citizen participation in projects. However, developers can implement tailor-made strategies for approaching, developing, and communicating projects that facilitate their acceptance by the local population.

***In this context, there are desirable practices in the development of social acceptance of renewable energy projects that can contribute to greater community support and can be grouped into the following areas of action:***

- development of detailed intelligence and knowledge about the local context;
- in-depth assessment of social viability (i.e., ensuring an expectation of net positive social impacts);
- assessment of the distribution of socio-economic and environmental benefits;
- evaluation of the citizen participation model proposed by the developer to improve its acceptability;
- implementation of actions or use of tools to mitigate barriers to acceptance;
- elaboration of an ad-hoc communication strategy;
- identification of the role and level of participation of local authorities;
- support of national or regional authorities in training and communication of the benefits of renewable energy projects;

- implementation of a model for the relation with the citizens based on transparency and fluid communication;
- implementation, if possible, of information and monitoring schemes and continuous evaluation of the projects.



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