



## **Investment Principles for Energy Access**

The Shine Advisory Committee, composed of members of the faith, foundation and NGO sectors, has developed these preliminary investment guidelines for values-based investors in energy access initiatives. Shine is committed to an ongoing process of engagement and consultation with partners from these three sectors and the investment community to shape these guidelines further.

### **1. Protect Human Rights**

Shine supports energy access projects that uphold human rights and that avoid displacement of human communities through large-scale hydroelectric or dam projects or large-scale solar farms. In the past, a number of these projects have forced communities from their homes, violating the human rights of tens of thousands of people with no compensatory measures. Shine stands in opposition to such projects and believe that values-based investors should avoid such investments.

### **2. Protect the Environment**

Shine supports energy access projects that protect the environment – not only through the generation of renewable energy (primarily wind, solar, geothermal; not nuclear) but also through the protection of ecologically significant habitats. Many renewable energy projects require the use of land or open space; when this is the case, Shine’s position is that such projects should be sited in a manner that minimizes harm to habitat and that altogether avoids damage to sensitive habitats which are of particular ecological and cultural significance and which are home to endangered species.

### **3. Engage Local Communities**

Distributed renewable energy projects are situated in and serve the members of local communities, often communities that are rural, poor, and not customarily connected with outside investors or forms. Shine believes that the respectful engagement of communities at every stage of the development and execution of these projects is of vital significance, and that communities should, wherever possible, retain the right of free, prior and informed consent when it comes to the siting of projects.

Distributed renewable energy projects create opportunities for employment and employment training, both at the stage of project installation and project management and maintenance. Shine believes that values-based investors should prioritize projects with concrete plans to train and employ local residents for jobs at all levels of the new enterprise, including the managerial level.

Wherever possible, local communities should also be provided with an ownership stake, or a realistic opportunity to acquire such a stake, in projects situated in their communities. Shine suggests that values-based investors explore innovative business and ownership models to ensure this.

#### **4. Accept Reasonable Levels of Profitability**

Some distributed renewable energy projects and enterprises will inevitably become highly profitable, enabling them to expand and their investors to profit handsomely. While recognizing that this is both inevitable and a major incentive for investors in this field, Shine suggests that values-based investors should not seek exorbitant or exploitive levels of return from their energy access investments, and where generous returns are generated by investments, consider utilizing a portion of such returns to support further community engagement as described above.

#### **5. Advocate for these Principles**

Shine partners from the sectors mentioned above have the opportunity to promote and promulgate these standards to their members and to other investors. We wholeheartedly encourage such activity, knowing that often the most effective means of persuading others to adopt such standards is through conversations with colleagues and partners who have committed to these principles.