

Offshore wind community benefits and social engagement in Colombia



Work package 4 (Final report)

PROJECT: Offshore Wind in Colombia - Develop a community benefit and social engagement framework and guidelines, adapted to the local context (COL-0002).

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Offshore wind community benefits and social engagement in Colombia



Offshore wind community benefits and social engagement in Colombia

Approaching community benefits and social engagement (CBSE) effectively is essential for a successful offshore wind (OSW) industry in Colombia.

- Community benefits are a strategic tool for social license and project success. There is a strong ethical rationale - effective community benefits ensure that value (derived from natural resources, i.e. the wind and the seabed) is retained in the host communities.
- Investors are more likely to commit capital when they see a high chance of gaining a durable social licence to operate. A well-designed Community Benefit Fund (CBF) is a proven instrument to build that licence by connecting project value with local priorities.
- Colombia's 1% New Transfer Law already signals strong ambition to share benefits with host communities; however, targeted adjustments are needed to strengthen social buy-in, strengthen social acceptance and community engagement, and make the OSW sector more attractive to investors.

Project background

During the project period May to December 2025, desktop and field research from the Colombian Caribbean and existing OSW markets were used to develop a proposed CBSE framework for the industry.

This supports the government, developers, and communities in setting up the structures and support to maximise the OSW opportunity.

This report is primarily targeted at the MME¹ and other public institutions that have an interest in policy making to support the Colombian OSW sector. Developers, communities, academic institutions, and NGOs² may also find the framework, findings, and recommendations useful.

Throughout this report, we incorporate knowledge from three categories: **1)** outcomes of our research under this project, **2)** international best

¹ MME: Ministerio de Minas y Energía (*Ministry of Energy and Mines*)

² NGO: Non-Governmental Organisation

practices and experiences and **3)** consideration of the Colombian context.

[OBJ]



Framework summary



A CBSE framework for Colombian OSW

To support grouping of key findings and recommendations, the Magenta COMPASS conceptual framework is proposed.

In the central hub is the community benefit package (itself anchored by the CBF), surrounded by enabling components.

The rationale for aligning the system around the CBF is that it is a clear and accessible mechanism with clear best practice parameters, while recognising that it represents only one of several important components of the broader benefit package.

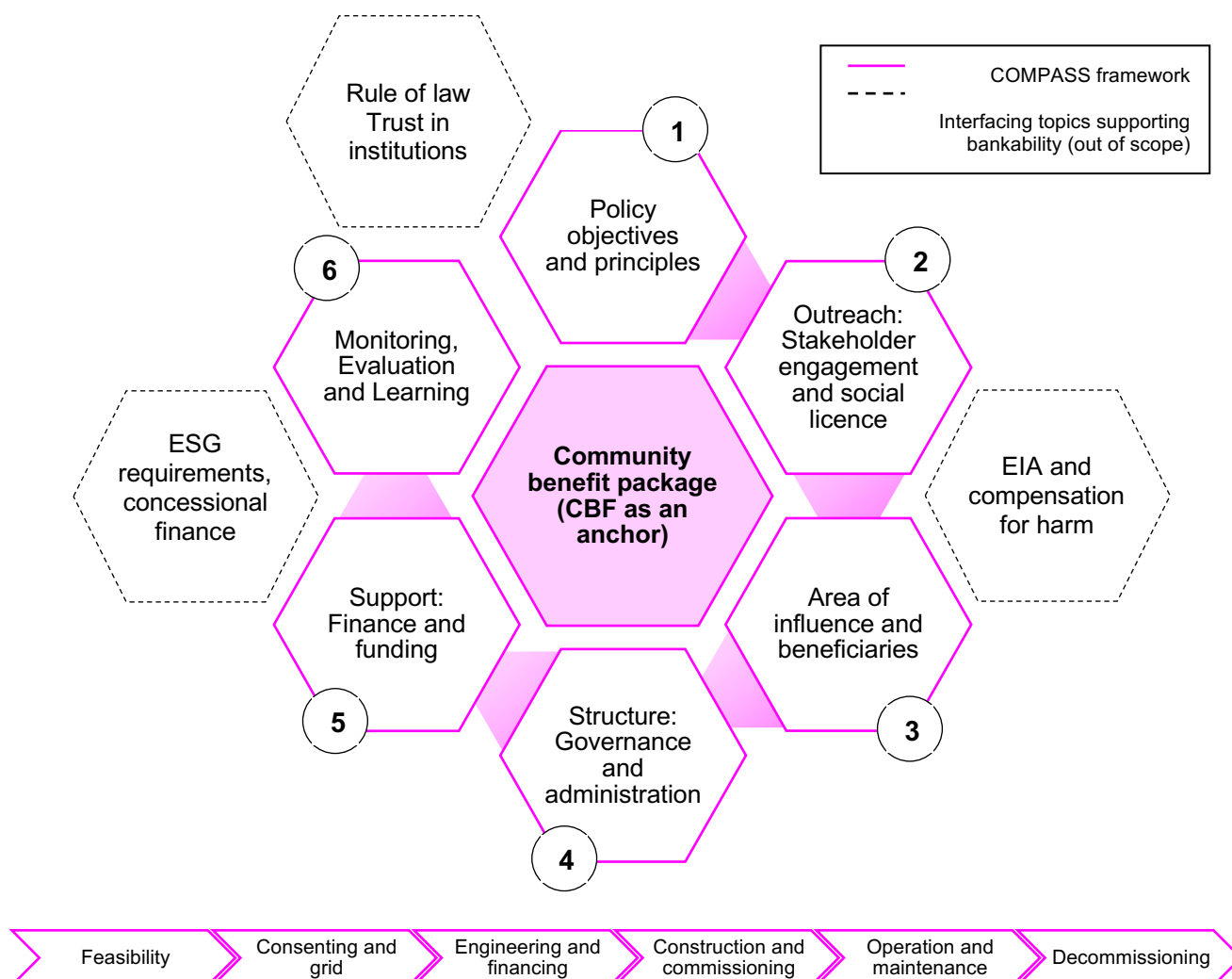


Figure 1 - CBSE COMPASS framework, applied throughout the project lifecycle (© Magenta Renewables)

Magenta COMPASS framework elements:

- **Community:** The benefit package, anchored by the CBF
- **Outreach:** Stakeholder engagement and social licence
- **Monitoring:** MEL³ systems for transparency and risk management
- **Policy:** Policy objectives and principles
- **Area:** Defining the area of influence and beneficiaries
- **Structure:** Governance and administration mechanisms
- **Support:** Finance and funding for long-term impact

Several external interfaces are suggested which fall outside the scope of the immediate framework. These will need to be acknowledged and well understood to ensure project bankability and to ensure that benefits can be delivered effectively:

- **ESG⁴ requirements, concessional finance** - External bankability requirements will apply to project developers, insurers, and financial backers. There may be opportunities for concessional finance that arise from compliance.
- **Rule of law, trust in institutions** - External enabling conditions for legitimacy and delivery must be in place.
- **EIA⁵ and compensation for harm** - Statutory mitigation and redress for negative impacts is an essential topic, which may share elements of consultation with CBSE but conceptually is kept separate.

³ MEL: Monitoring, Evaluation and Learning

⁴ ESG: Environmental and Social Governance

⁵ EIA: Environmental Impact Assessment

Key findings and recommendations

Principles

Community-led decision-making is at the heart of the framework.

Aim to align with international best practices

Key recommendations:⁶

- The government may encourage and promote CBFs for OSW projects, with full community autonomy in fund allocation and robust governance. (1, 2)
- Community benefit measures outside CBFs should be equally encouraged, such as direct investments / benefits-in-kind, environmental net gain, and support for shared ownership initiatives. (1, 2, 4, 16)

Strategic context

OSW is a challenging enterprise with significant technical and commercial risk (especially in an emerging OSW market such as Colombia).

Investors will hesitate to invest if they perceive a low chance of gaining the social license to operate. A CBF is an effective way to work directly with communities and derisk the social license.

Key recommendations:

- With the first competitive process underway, the government may consider maintaining regulatory stability and avoiding the introduction of CBSE Non-Price Criteria (NPC) or Contract for Difference (CfD) conditions. (9)
- The government should provide early clarity : OSW capacity targets, industrial strategy, CBF guidance levels. (2, 8, 10)

⁶ Numbers in brackets are references to associated detailed recommendations (refer to the framework report).

Agency leadership

A sponsoring ministry / agency (or collective) is needed to lead the OSW community benefits function.

Key recommendations:

- The MME may consider establishing a leadership body for its renewable energy CBSE practice (forming a 'CBSE Delivery Unit'), supported by DIMAR⁷, DPS⁸ and DNP⁹. (1)
- The MME may consider hosting the CBSE Delivery Unit within the MME-Oficina de Asuntos Ambientales y Sociales (Office of environmental and social affairs). (1)

Regulatory approach

Both voluntary and regulated approaches to community benefits can work. Either way, the fundamental principles are similar.

Make use of existing structures.

Adapting the 1% New Transfer mechanism could help provide greater regulatory clarity.

Key recommendations:

- The MME may explore adjustments to the existing '1% New Transfer' mechanism for OSW to give projects the option to implement a CBF of equivalent magnitude (1%), aligned with best practice. This should include measures to improve participation, ensuring that the CBF benefits are equitably shared in the host community. (2, 11)
- The MME CBSE 'Delivery Unit' should prepare, review, and publish CBSE guidance. (2)
- Future OSW competitive processes may consider CfD payments attached to the implementation and performance of a CBF. (9)

⁷ DIMAR: Dirección General Marítima (*Maritime Authority*)

⁸ DPS: Departamento Administrativo para la Prosperidad Social (*Social Prosperity Department*)

⁹ DNP: Departamento Nacional de Planeación (*National Planning Department*)

Capacity building

Government agencies, developers, private investors, NGOs, academia, and communities all have a role to play in maximizing the local positive impact potential of OSW.

Key recommendations:

- The MME CBSE 'Delivery Unit' should work with industry to assess and develop suitable training programmes in combination with educational authorities (e.g. SENA¹⁰) and providers. (7)
- The MME should co-ordinate a review of existing government programmes in the Central Caribbean and support capacity-building of local organisations. (3)
- MinAmb¹¹ should consider co-producing an environmental evidence baseline with the community. (6)
- Developers are encouraged to go beyond minimum compliance CBSE standards. (15, 21)

Sector bankability

ESG compliance should be prioritised, to make sure that projects can be financed.

Key recommendations:

A review of international ESG standards and gap analysis for Colombia is recommended, to identify any critical areas for support. (23)

The government should work towards providing greater clarity and visibility to the OSW industry, particularly in relation to the OSW leasing pipeline, industrial strategy (e.g. ports, supply chain, and educational priorities) and anticipated CBSE commitments.

In parallel, strengthening factors supporting bankability of projects would help ensure that projects can secure financing, proceed to delivery and realise the intended community benefits.

¹⁰ SENA: Servicio Nacional de Aprendizaje (*National Learning Service*)

¹¹ MinAmb: Ministerio de Ambiente y Desarrollo Sostenible (*Ministry of environment and sustainable development*)

Legislative review



Legislative review findings

The existing ‘1% New Transfer’ mechanism is aligned in magnitude with international benchmarks but needs adjustment for OSW to meet IFC¹² CBSE definitions.

The legislative and institutional context for the design and implementation of CBSE frameworks for OSW was reviewed.

The IFC reference framework¹³ on community benefits in OSW was used to anchor the study. By these definitions:

- Community benefits are **non-compensatory and developmental contributions** to the host communities
- Social engagement is an **ongoing, inclusive, trust-based process**

They must be designed around **participatory, developmental, and project-specific principles** to ensure legitimacy, impact, and community support.

The legislative review identified opportunities to strengthen alignment with CBSE principles as envisioned by the IFC reference framework, but that some Colombian norms do contain elements that align.

The strongest example of this is the existing legal instrument ‘**1% New Transfer**’ which currently requires non-conventional renewable energy projects with a nominal power greater than 10MW to pay a transfer equivalent to **1% of gross sales**, with the proceeds then distributed among ethnic populations (60%) and local authorities (40%).¹⁴

¹² IFC: International Finance Corporation

¹³ Energy Sector Management Assistance Program (ESMAP). (2024). The strategic value of community benefits in offshore wind development. Washington, DC: World Bank.

¹⁴ Established by means of article 289 of Law 1955 of 2019, Article 233 of Law 2294 of 2023, Decree 1302 of 2022 and Decree 1538 of 2024.

Table 1 - Summary of CBSE scenarios studied

Scenario	Equity level	Feasibility level	Carry through to framework?
1. Do nothing (status quo)	Low - medium	Existing baseline	✗ (status quo scenario)
2. Implement voluntary measures (e.g. guidance and information rollout, training, pilot projects)	Medium - high	High	✓ (minimal risk, high potential impact)
3. Include CBSE framework in binding OSW competitive process NPC for site award¹⁵	Medium - high	Medium	✓ (consider for future competitive processes)
4. Review existing '1% New Transfer' mechanism (binding)	High	High	✓ (builds on current law)
5. Introduce new legally binding CBSE framework rules	High	Low	✗ (heavy legal lift, duplicative with 1% New Transfer)

The legislative review scenarios recommended for inclusion in the framework (2, 3, 4) prioritise an approach that builds on existing mechanisms and agencies, recognises the strategic need to protect OSW business cases, and is supported by guidance and educational efforts in the host communities.

¹⁵ A variation discussed in the legislative review report is to examine use of the CfD mechanism to incentivise exemplary CBSE framework practice.

Community baseline



Central Caribbean community baseline

Central Caribbean communities are open-minded to the OSW industry and are keen to participate from the earliest stage. There is a general need to build trust, address developmental issues (e.g. basic utilities, transport, communications) and prepare for increasing climate change risk.

A participatory community baseline was established in the Central Caribbean region, the area identified for initial OSW deployment. A desktop review of literature and previous work in Colombia was followed by a 2-month fieldwork programme, during which national and local government, academia, industry, and local communities from Atlántico, Bolívar and Magdalena were consulted for their views on participation in OSW development.

The data collected provides a foundation for the development of equitable benefit-sharing and engagement frameworks tailored to Colombia's social and environmental context.

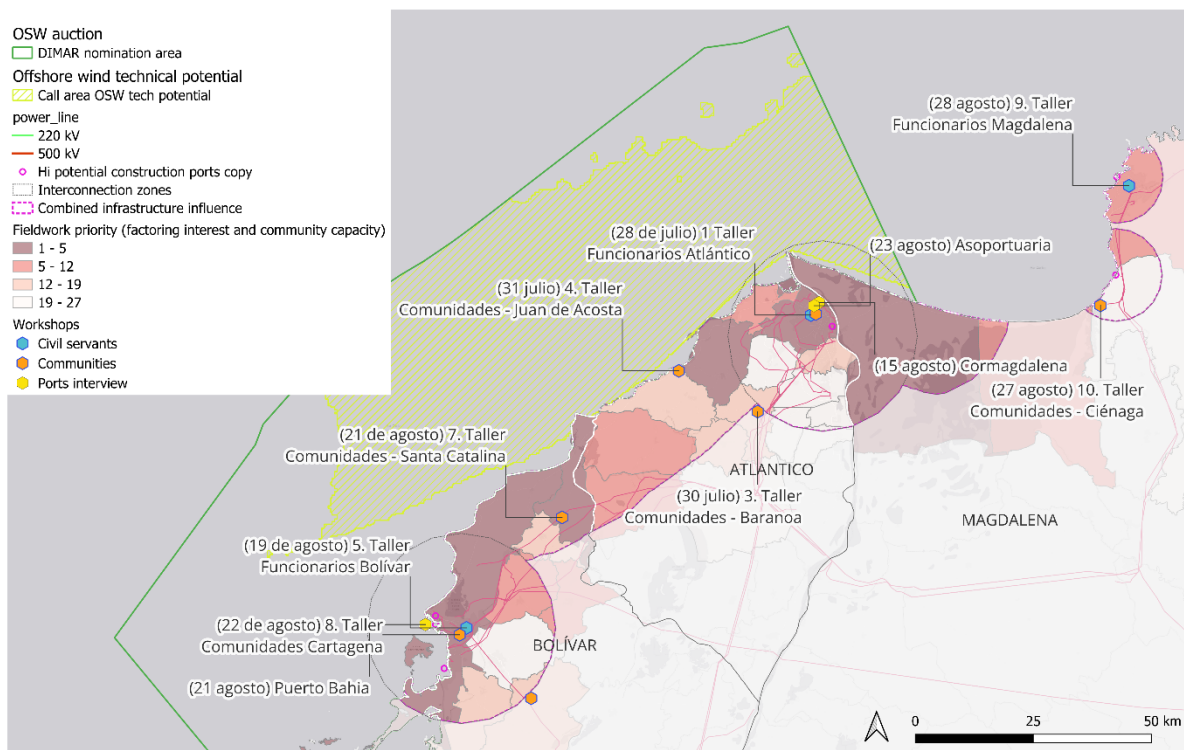


Figure 2 – Map of the Central Caribbean study area, showing community and civil servant workshop locations and dates (2025)

Key themes emerging from the workshops include:

- Communities view the coastal environment and ocean as spiritually and ceremonially significant.
- Electricity tariffs, service reliability, and affordability are major concerns across all departments.
- There is strong demand for training that leads to real jobs and supplier opportunities in OSW.
- Fisheries, mangroves, coastal livelihoods, and sacred sites are sensitive and require protection.
- The concern and uncertainty of the communities surrounding the ports was highlighted.
- Opportunities exist to strengthen trust between communities and institutions; there is a vital role for local leaders to organise participation and represent community views.

What are the communities proud of (assets to leverage)?

- Strong cultural identities and civic networks.
- Deep empirical knowledge of the sea.
- Entrepreneurial energy around ports, tourism, gastronomy, and services; high appetite for learning.

What opportunities for growth does the community identify?

- High electricity tariffs and intermittent service remain important concerns, alongside perceptions of distrust linked to past project or utility experiences. There are opportunities to strengthen access to basic infrastructure, including water, sanitation, roads and digital connectivity, as well as improving access to training that leads to quality employment opportunities.
- Communities highlighted the importance of strengthening participation in decision-making processes, improving the timeliness of information sharing, and ensuring that benefits are delivered in a sustained and inclusive manner.

- Climate change pressures combined with existing vulnerabilities (low-lying areas, declining mangrove cover and coastal erosion) mean that flood risk is increasing, while droughts and periods of elevated temperatures are becoming more likely.

Further reading

A much greater degree of detail is available in the preceding work package (WP) reports and appendices:

- **WP1 – Community baseline** (containing fieldwork data and insights)
- **WP2 – Legislative review** (containing development of CBSE scenarios)
- **WP3 – Framework** (containing key findings and recommendations)



About Ocean Energy Pathway

Ocean Energy Pathway accelerates global offshore wind growth through programmes which support the energy transition, enhance marine ecosystems, and empower local communities. We provide expert, independent support to governments and key decision makers to fast-track offshore wind worldwide. Through collaboration with leaders in policy, industry, and conservation, we help shape sustainable solutions for the long-term growth of offshore wind. Ocean Energy Pathway owns the offshore wind POWER Library, in collaboration with Climate Policy Radar, to help policymakers easily find curated reports and policies related to offshore wind. Headquartered in the UK, we work in Australia, Brazil, Colombia, India, Japan, Mexico, the Philippines, South Korea, and Vietnam with ongoing projects in several other countries.

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About Magenta Renewables

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Magenta Renewables is a dynamic consultancy headquartered in Glasgow, Scotland. Our team is made up of experienced industry professionals united by a shared passion for accelerating renewable energy adoption and driving industrial decarbonization.

Our team's collective expertise spans the entire spectrum of renewable energy technology.

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