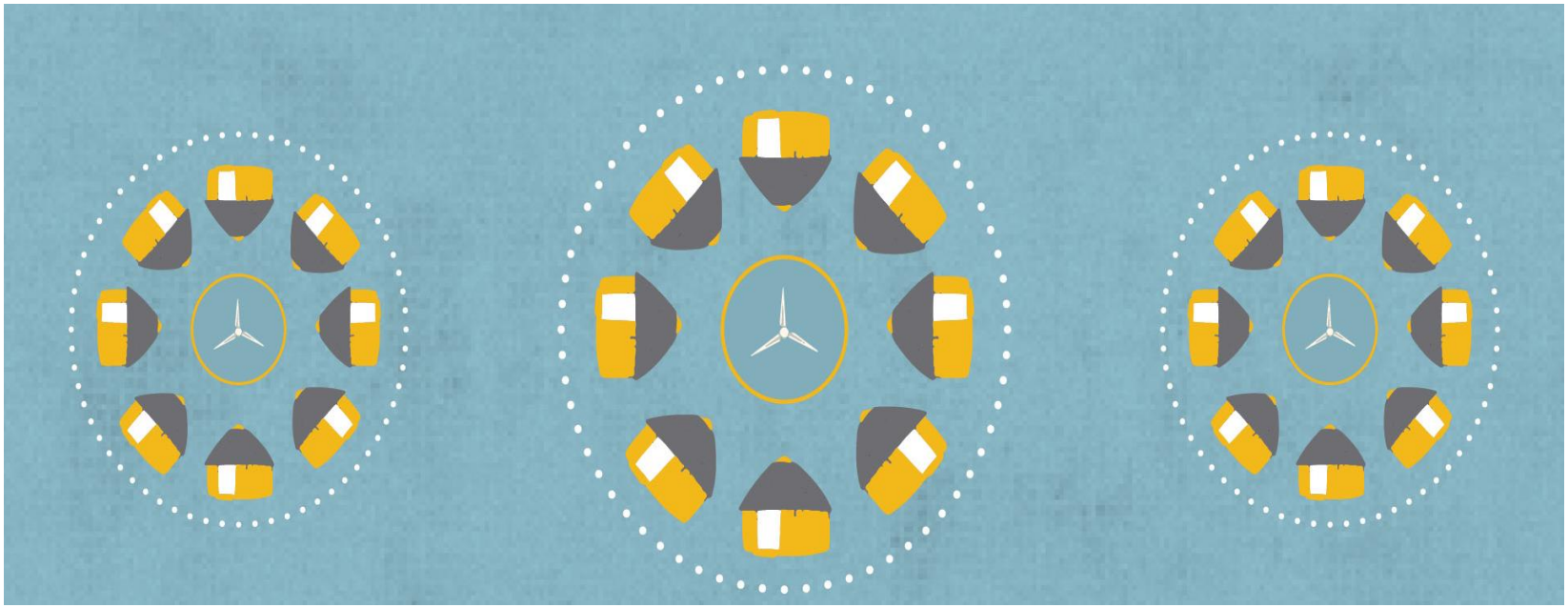
REIPPPP And Community Trusts

KNOWLEDGE PELE RESEARCH RESULTS



Presentation Outline

1. Introduction to Knowledge Pele
2. Research Background
3. Findings
4. Contextualising Findings
5. Proposals
    1. Doing Better
    2. Doing Differently

Knowledge Pele

Knowledge, First!

- 100% Black Owned Research & Development Firm
- Subsidiary of the Pele Energy Group of companies, which was formed in 2009.
- Our mission: change the structure of the economy through power & knowledge.
- KP's work is predominantly in Energy Communities.
- Critique Of SA's REIPPPP, Titled, 'Lost In Procurement' Published In Earth, Wind & Fire (MISTRA) - Focused On The Development Gaps And Potential Solutions In Energy Sector.
- Experience Is Teaching Us That The Private Social Investment Sector As A Whole Requires Reorientation

Research Background

Community Trusts And REIPPPP

- Commissioned and funded by Knowledge Pele.
- In response to questions from various stakeholders: communities, local government officials, IPPs, DFIs, lawyers…
- Central question: what are the key concerns and what response is required to ensure effectiveness for all stakeholders?
- Method: structured interviews with different types of stakeholders, primarily IPPs and literature review.

Do it Better vs Do it Differently?

Findings

Community Trusts And REIPPPP: Key Concerns

Community

- Dealing with the 50km radius when it conflicts with community?
- How do we know that someone is truly a beneficiary?
- How do we ensure a correct assessment of need and fair spread of benefit?

Trustees

- Who qualifies as a trustee and what checks are conducted?
- Who will select Trustees?
- What training is required for trustees?

The Role of IPPs

- How is the work shared between junior & senior sponsors?
- How much should the IPP define the trust prior to local trustee involvement?
- What is the appropriate level of control to maintain over the trust?

Governance

- What can the trust do? What can't it do?
- Who handles administration?
- How are decisions about funds disbursements made?

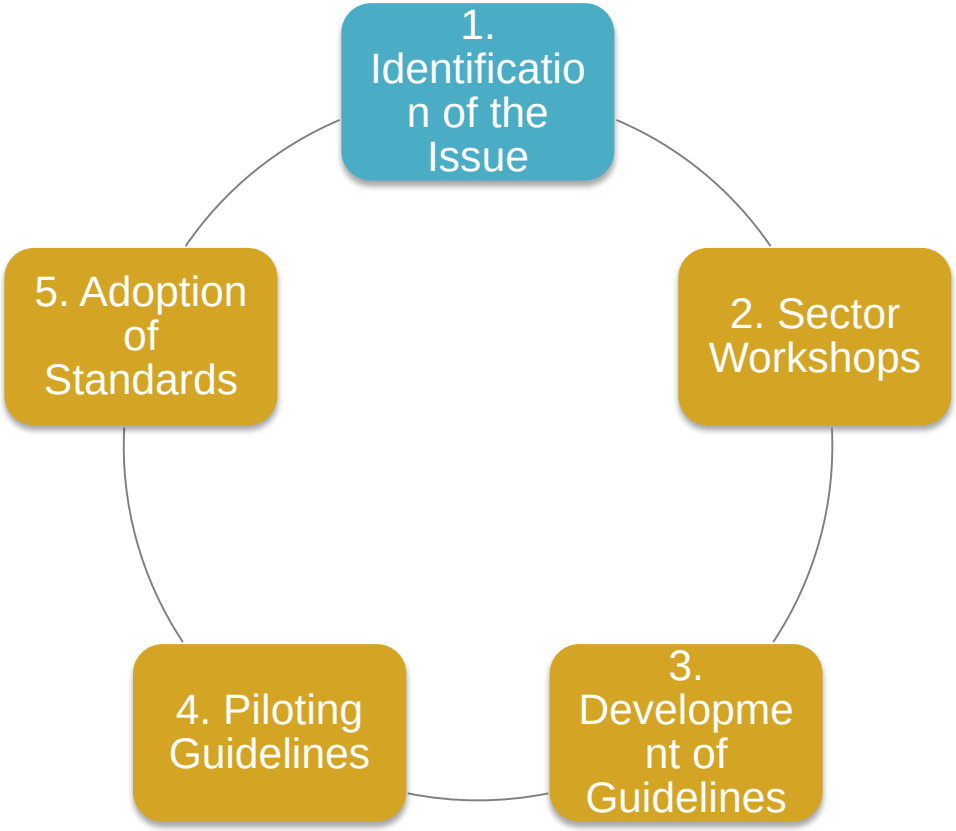
Analytical Lens

What does the data mean??

- Broken up into a sub-set of questions, Community Trusts become an administrative question: how to elect trustees; what financial governance controls are required etc.
- Viewed as a single question about South Africa's vision for development, a deeper conversation and opportunity unravels about what it means to give Power to the People:
  - Central problem for REIPPPP: How are the people constituted? When are they constituted and Who constitutes them?
  - Opportunities: Power as a material question and Power as a question of agency and participation.

Do It Better

Proposal: Multi-stakeholder Collaboration Platform



Do it Differently

Proposal: Make Trusts Financially Sustainable

1. Development acknowledges ‘constructed-ness’ of poverty & inequality.
2. REIPPPP offers us the opportunity to re-construct the development futures of communities.
3. Sustainable development future cannot be an all you can spend game.
4. A capital base needs to be built: human + financial.
5. Trusts should be investment vehicles to outlive our power plants!

Community Wealth = Capital & Income

Do it Differently

Proposal: Make Trusts The Implementation Driver

1. If IPPs were compelled to transfer the 15% admin fee to trusts, what competencies would trusts have to demonstrate in order to give the IPP compliance comfort?
    1. What skills are required to plan for development?
    2. What skills are required to manage development?
    3. How long does it take to acquire those skills?

Development is not in receiving, it's in Conceiving.