

# Sustainable Community Engagement in the Renewable Energy Industry

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The Department of Energy (DoE)'s Renewable Energy Independent Power Producer Programme (REIPPP), which outlines the criteria for Independent Power Producers to gain operating licenses, places great emphasis on local content in a bid to ensure that the economic benefits from renewable energy are enjoyed by the communities where energy is generated.

Historically, most negotiations between host communities and investors have skewed to the benefit of the consortiums or multinationals that use their economic leverage to achieve their objectives, which may not match or even contradict those of the community.

In the long term, negotiations that don't factor local community needs will backfire, as illustrated by clashes within South Africa's local mining industry and as far afield as the run-ins in the oil-producing Niger Delta of Nigeria. Most communities negotiate through traditional leaders who preside over the land and other community resources.

Engaging with traditional leaders is an important step in ensuring that there is a broad stakeholder buy-in, that appropriate solution, and which economic development plans are in step with local priorities. community profiling has become such a critical component in understanding local community needs that there's simply no way these investigations can be successful via desktop research.

Effective engagement begins with being on the ground to engage in meaningful dialogue and qualitative assessments of local conditions to create an informed context. It further informs the choices made around investment and economic development projects.

Negotiations between investors and local communities require skill and experience, and therefore the benefits of the communities engaging with consultants/experts to represent them are that they have a deep understanding of the codes and other legal frameworks, access to international precedents and their impartiality give them the ability to drive hard negotiations and avoid emotional traps.

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The negotiation of essentials such as jobs, scholarships and schools, alongside priorities such as long term infrastructure projects to deliver economic enablers such as roads, electricity and technology infrastructure, require nimble negotiation. Many multinationals make the mistake of assuming that all communities in South Africa have the same needs - the net effect of that assumption has been a disaster because inevitably, the local communities do not buy into their vision.

The DoE's demand for local content and job creation as criteria for awarding operating licenses is a game-changer. By introducing punitive measures in the form of fines or revocation of licenses. The local communities have the means to ensure that the priorities of local content and job creation remain on top of the agenda.

However, the grounds on which licenses can be revoked or fines imposed must be clear to all parties from the onset.

In most circumstances, community interests are protected by a Board of Trustees which necessitates that the members of the Board have in-depth knowledge and understanding of the deal as well as a solid grasp of the social, political and economic elements which impact it.

Renewable energy represents a great opportunity for corporate players and local communities alike, however the initial engagements require strategic insight, a long-term view and a win-win mentality to be sustainable and effectively address the sustainable energy challenges South Africa faces.



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