

Small towns in South Africa can benefit from renewable energy projects: Here's what developers should do

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South Africa's Northern Cape province has become a prime area for investment in renewable energy. It is host to 59 of the 112 large-scale

renewable energy projects secured through the country's flagship [Renewable Energy Independent Power Producer Procurement Program](#) by 2021. But have the communities hosting these new projects benefited from them?

Industrial sociologist Boitumelo Malope [researches renewable energy and labor markets](#). He interviewed residents, [community leaders](#) and employees of [two wind farms](#) outside the small, impoverished town of Loeriesfontein in the Northern Cape to find out.

How should renewable energy projects benefit communities?

The South African government's [Renewable Energy Independent Power Producer Procurement Program](#) accepts bids from independent power producers and decides which can go ahead. The bids are assessed based on the tariffs the company will charge (worth 70% of the points) and on [economic development](#) (worth 30%).

Economic development includes the creation of jobs for locals as well as enterprise and socio-economic development projects. These are [funded from a percentage of the revenue](#) each renewable project earns from the sale of electricity to Eskom, the state-owned electricity provider. In addition, a community trust representing people who live within a 50 kilometer radius of a renewable project must own between 2% and 5% of the shares in each renewable project.

Companies that run the renewable projects fund community development from their revenues, and the term of their contract with Eskom, the state-owned utility, is 20 years. So community development is meant to last for 20 years.

My research on two wind farms found that community development plans were not publicly available. Community projects were introduced in a top down fashion in the absence of an assessment carried out in partnership with community organizations of what the community needed.

What problems with job creation did your research find?

There are eight phases in the construction of wind farms: from [road construction](#) between [wind turbines](#) on the farm, to the construction of the foundations for a wind turbine, laying the cables from a turbine to a substation, and wind turbine erection and testing.

During the first five phases of the project, the skills required are mostly low- to semi-skilled. Around 100 [community members](#) were employed for between three and 18 months in these phases, but not as supervisors, they said. The indirect jobs on the project, such as cleaners in guesthouses and administrative work, are also low- to semi-skilled jobs.

Phases six to eight require specialized and highly trained workers who are not always based in the host community. The types of jobs performed during the last two phases are better paid, but local workers aren't trained to do them.

The International Labor Organization says [decent work](#) involves social dialogue, social protection, rights at work and opportunities "to obtain decent and productive work, in conditions of freedom, equality, security and human dignity." Its [guidelines on the Just Transition](#) say decent work must be at the center of policies for strong, sustainable and inclusive growth and development. Decent work is also goal eight of the United Nations [sustainable development goals](#) that need to be met by 2030.

But in South Africa, the licensing requirements for renewables don't include the need to create decent work—only employment.

With proper planning, local workers could have been trained to do specialized jobs. It takes between 12 and 18 months from the time a renewable project is awarded preferred bidder status to the start of construction—enough time for training. However, the Renewable Energy Independent Power Producer Program does not say this must happen—a serious weakness in the design of the program.

What else did you find about community development?

Communities weren't involved in the planning of the community development projects. Local households in general, and the most needy members of the community in particular, should benefit from these projects. For example, the community of Loeriesfontein said they needed street lights and wifi.

My research found that community development was decided by [Mainstream Renewable Power](#), the company that runs the two [wind farms](#). For example, an all weather synthetic running track was built which does not benefit the whole community. A gym was also built but because it has a monthly membership fee of R200 (about US\$11), it is unaffordable to most residents of the town.

What lessons can be learned for future projects?

There are two major lessons for developers. The first is effective and consistent communication with the local community. In Loeriesfontein, the developer chose to communicate with the community not at mass meetings, but through a political channel—the ward committee. This

politicized the project and disrupted communication.

Also, the developer wasn't consistent. During the construction phase, for example, the developer scheduled community meetings but cancelled these without notice. Good communication must start in the construction phase. If it does not, problems are carried over to the operations phase.

Another lesson is that community development should create jobs and develop local infrastructure that the community needs. Loeriesfontein has vast municipal commonage land. This empty land could be used, with local workers and knowledge, to develop a community-owned renewable energy project to provide much cheaper electricity to impoverished homes.

The company should also have planned shorter term projects to benefit the community, such as installing solar panels on the roofs of indigent households.

Community development is different to corporate social responsibility. Because it is funded by a portion of revenue from the sale of electricity, it is a 20-year commitment. In rural areas especially, it is a real opportunity to provide vital amenities and infrastructure that the community has never had. It must be a partnership between the developer and the community and not viewed by the developer as an act of kindness or a heavy burden.

What renewable energy developers should be doing is anchoring their community development approach to sustainable development. This must focus on satisfying human needs (eradicating household poverty), ensuring social equity (helping those most needy first), and respecting environmental limits.

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