PRACTICE NOTE

THE CASE FOR COMMUNITY IN TRUSTS

LEARNING EVENT INSIGHTS
DEEPENING REIPPPP’S COMMUNITY DEVELOPMENT IMPACT
What can, and must, be learned to improve community development in the REIPPPP, the largest renewable energy programme ever undertaken in South Africa?

The REIPPPP mandates that there must be community ownership in independent power producers (IPPs); in other words, that host communities of renewable energy projects receive some form of shareholding in the companies running those projects. While the intention to share the benefits and empower communities is sound, this aspect of the REIPPPP’s community development implementation has in practice proven to be problematic. This is largely due to apparent shortcomings in community trusts, which have become the most common form of legal entities set up to represent community ownership. Questions remain about whether these community trust vehicles are suited to, or able to grow beyond, their mandate, which is to function as vehicles of community development by governing the financial income associated with asset ownership.

One prevailing view regarding these community trusts is that they are dysfunctional and ineffective. Experience implies, however, that it is not necessarily the trust vehicle itself that enables or disables a trust’s impact, but rather the practices employed when it is established and operationalised. Examples of these practices going awry include perceptions of illegitimacy in the trustee selection process, poor accountability mechanisms, and IPPs withholding information from the trust and/or wider community. Further, if the underlying relationships are not built on transparency and trust, the legal vehicle facilitating community ownership is bound to come up against difficulties. Thus, the aim in this practice note is to explore the fundamentals of community development vehicles generally, with the understanding that community trusts are the most common form and thus the source of most of the commentary.

It is important to remember that money coming into a community can actually deepen prevailing social divides and challenges, and this can be made even worse when IPPs do not create spaces for meaningful participation and engagement. A clear community development principle is: ‘You cannot do development for or to people, but you can do it with people’. This principle must be kept in mind if the issues related to community trusts are to be addressed going forward. Development is a community’s own process, which is (or is not) driven by their agency, ability and capacity. Working in the complex and uncertain contexts characteristic of the REIPPPP host communities also means that outcomes cannot be predetermined, and things do not happen in a linear way.

This was the question that 150 diverse participants came together to explore at a dedicated Learning Event in early 2020. The event was funded by USAID, in partnership with the IPP Office, and supported by the industry associations SAWEA and SAPVIA, and was hosted at the IDC in Johannesburg. This practice note is one of six compiled by a group dedicated to recording the day’s rich discussions, and captures insights related to the specific important theme of community in trusts.
NEW INSIGHTS

Ideas we need to let go

- **One entity is ‘leading’ the engagement.** There are, in reality, constant shifts in power. Our engagements need to reflect a collaborative mindset that navigates and mediates these dynamics in an ethical and responsible manner.

- **We are bringing the solutions.** It must be understood and respected that there are existing ecosystems that already work within host communities. Paternalistic or patronising practices are therefore not appropriate, and IPPs are not here to ‘rescue’ anybody. Often there is no need for a ‘new’ idea per se, and some projects can cluster community assets or add value to government interventions, strengthening the existing system. The best way to identify these opportunities is for communities to share their perspectives, not to have others’ perspectives imposed upon them.

- **Leaning on people we find it easier to work with.** If we limit ourselves to working with particular individuals or groups, we limit our understanding of the wider opportunities for impact. IPPs need to engage with all types of stakeholders. This involves having the resilience not to take things personally, even if something goes wrong, and rather to understand that community engagement is a human interactive process demanding far more than a compliance mindset.

Insights that disrupt and liberate our thinking

- **The power of a consistent, transparent, and honest communication process.** This builds trust with a community, is vital in minimising conflict, and is also the best way to limit unrealistic expectations before projects are implemented. Furthermore, it helps to sustain buy-in even when things inevitably don’t go according to plan at some stage or another. Openness in communication encourages openness to adjustments.

- **A clearly articulated shared vision of what different actors want to achieve.** This type of shared and collaborative engagement empowers community leadership, improving the relationship significantly. Importantly, it also fosters accountability among all actors when they know what is envisaged, by whom, for whom, and for what higher aim.

- **We have a rich and varied body of grounded experience.** Over the last nine years of the REIPPPP, we have accumulated a vast library of experiences of successes and failures that can serve as a rich source for learning and exchange.

- **Community development is a professional practice.** It is a discipline that is informed by a particular understanding of community and development, and it demands particular skills and passion. This means that it cannot be ‘just anybody’ in charge of this work, and resources must be put into building the necessary capacity both at company level and in giving support to communities. Community Development Practice demands that the fundamentals of participatory development are done well; so, to avoid causing damage, IPPs must be open to seeking support to develop this capacity and to make any necessary changes.
RECOMMENDATIONS

Actions for local or community impact

Avoid ‘double-dipping’. With a government presence, several IPPs, and other community development interventions all working in the same region, we need to ensure that interventions compliment and support one another, without replacing or duplicating efforts. Open communication, shared forums and co-created research can help to streamline these multi-lateral undertakings.

A commitment from all within the ecosystem. Having a shared commitment ensures sustainable development efforts that benefit communities and contribute to societal change. Part of this commitment involves a constant questioning about how to optimise benefits for communities over time.

Step back, re-group and re-strategise with community leadership. Even when good engagement and development is taking place, we need to make the time to reflect on our collaboration process with stakeholders, both to celebrate successes and to ensure learning and improvement.

Actions for national impact

Empower community members. Community members are not passive recipients and can in fact become powerful agents of change once they learn what the processes and procedures are, as well as why and how they can benefit.

Report on quality, not just quantity. The sort of impact achieved through community engagement is qualitative and must be described, not simply counted. For example, on the matter of job creation, the number of jobs can better be understood in light of such questions as: Is the employment short term or long term? Is it dignified? This will give a clearer picture of the impact made.

Nurture developmental practices in the company. Prioritising how community development is understood throughout the company is vital. The board and other key decision-makers must grasp that the social licence it brings is well worth any investment in community engagement skills development.
FURTHER READING


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