

## OVERVIEW

### IIED Sustainable Markets Group

**Project name:**

Community and Household Options In Choosing Energy Services (CHOICES), South Africa

**Project leaders:**

Emma Wilson (IIED), Belynda Petrie (OneWorld)

**Time frame:**

May 2012–July 2013

**Budget:**

£150,000

**Objective:**

To increase local awareness of energy options and stimulate discussion of possible energy projects and enterprises in three rural communities of South Africa's Eastern Cape, with a view to attracting more investment in energy access.

## PROJECT SUMMARY

Energy access in South Africa is hampered by an overstretched, coal-fuelled central grid with few initiatives for off-grid power. The country has made progress in introducing renewables for low-carbon development, but bringing communities into the energy planning processes will help to tackle poverty and improve sustainable development outcomes. The CHOICES-South Africa project piloted a community participation model for planning rural energy services, with a series of workshops on energy needs, priorities and technologies in three communities of the Eastern Cape region. These dialogues raised awareness and built buy-in for locally specific energy solutions – preparing the ground for effective community participation in public and private investment.

## CHANGE IN ACTION

Local communities are aware of their own energy-related needs – cooking, heating and communications, for example – and how they might prioritise them. But if they increase their knowledge and awareness of energy issues such as energy efficiency, renewable energy technologies and the

# Exploring energy opportunities through dialogue

## CHOICES helped South African communities voice their needs and discover new options

A telling sign of South Africa's energy problems is the anger of communities towards large wind farms being built in the countryside. The wind power will feed into the troubled national grid, but local people don't expect to see improvements in their own electricity services – many in rural areas or informal settlements have no electricity, and even farms and townships connected to the grid suffer unpredictable power cuts due to an opaque system for distributing scarce energy supplies. Communities' unmet energy needs range from safer cooking stoves to mobile phone charging to power for local businesses.

The national legislation for renewable energy requires developers of large-scale projects to invest in 'social responsibility' initiatives – clinics, public parks and so on – intended to deliver local benefits and defray the risks of local resistance. So why aren't these companies backing rural energy solutions? According to practitioners from OneWorld, a South African sustainable development consultancy, the developers shrug their shoulders and say that communities don't ask for energy. OneWorld believes that people don't realise there are solutions they could ask for.

The idea that rural South Africans need and want energy but may not know their options was the impetus behind the CHOICES project, short for Community and Household Options In Choosing Energy Services. Run by OneWorld with project management, research and

planning support from IIED, and inputs from TERI relating to sharing Indian energy access experience, planning workshops, and analysing workshop results, the one-year initiative engaged three communities in South Africa's Eastern Cape with household surveys of energy needs. Community members then met in a series of workshops to discuss their energy problems, prioritise needs and learn about technological alternatives to grid power, such as solar water heating and biogas.

### Powering up the job market

In a country with a highly centralised energy system, those who are struggling with lack of access or affordability can feel stuck in a waiting game, wondering when the wires will reach them or when power will become stable and cheap. Workshop participants found it empowering to be involved in a dialogue about how energy supply and demand impact their lives – and to discover alternative possibilities. The conversation explored ways to meet particular needs like cooking, beyond the standard choices of either electricity or fuelwood. People evaluated which options were suited to their contexts: one woman decided to dust off an old gas stove, while another calculated that her family's farm might produce enough manure to power a small biogas operation.

It was even more eye-opening for communities to grasp the economic ramifications of power problems. In Cookhouse, for example, a dairy that

available options for energy access in their area, then they can take part more meaningfully in decision-making processes. Local participation can also help to design interventions that are better suited to local contexts, that people can afford and are willing to pay for, and that produce important secondary benefits such as jobs, thus boosting local buy-in. In this way, community engagement, awareness raising and information gathering from a project like CHOICES should reduce the perceived risks for investors who are interested in financing local energy access.

## KEY LESSONS LEARNT & INNOVATIONS

- In South Africa's highly centralised energy system, communities with unmet needs tend to focus on their lack of access to the national grid. This project built awareness of other options that offer local control.
- The potential economic benefits of community-driven energy provision — such as entrepreneurial opportunities and support for local industry and jobs — came as a surprise to many participants, even government and industry stakeholders.
- For would-be investors in local energy solutions, non-payment for services is perceived as the greatest risk. Building buy-in through dialogue may mitigate this. The 'social responsibility' funds attached to large renewable energy developments could provide a testing ground for new approaches.

## PARTNERS' VIEW

*I am proud to say that I now know enough to engage the renewable energy space with confidence, thanks to the CHOICES-SA Project. The project has assisted me to execute my mandate on this subject with authority, for the benefit of my constituency and Blue Crane Route as a whole. Additionally my constituency is equally empowered to support me and hold me to account.*

MK Mali  
Ward councillor



Flickr/TumblingRun

The workshops helped communities to understand how alternative technologies can benefit them by increasing affordability and creating new jobs.

employs about 1,000 people would like to expand its facility, but instead is considering relocation because local authorities cannot guarantee a reliable power supply. This region's unemployment rates are as high as 85 per cent in some places, and on average five people depend on the income from every available job. The shortcomings of the national grid, then, are affecting local economies well beyond the household level. Understanding where grid power is deployed, and with what benefits, can help communities decide their own development priorities as well as increase transparency.

The flip side is that introducing alternative technologies can not only increase efficiency and affordability, but also create new jobs in installation and maintenance. This was new and intriguing not only for community members, but also for some government and industry representatives OneWorld talked with.

## Reducing risks of investment

CHOICES originally aimed to have communities meet with investors about developing energy access solutions for local needs. This turned out not to be feasible in the project's short time frame, but OneWorld and IIED plan to build on the engagement and awareness raising that has been done. For investors, underdeveloped communities represent 'base of the pyramid' markets with huge growth potential, but these markets also carry large risks — especially that households won't be willing or able to pay for services. Even the conventional grid in some cities is saddled with unpaid bills for hundreds of millions of South African Rand.

Community participation models like CHOICES seek to address the risks by building local buy-in. The workshops gathered specific information about energy priorities, and participants have

seen how investments might meet their urgent needs — including the need for jobs. The stage is set for more productive conversations about both public and private investment. For potential developers of large- or small-scale renewable energy, initiating these kinds of community dialogues could be a step towards more sustainable enterprise models and improved benefit-sharing, with fewer conflicts around large projects.

OneWorld and IIED will continue to seek funding to work with the Blue Crane Route Municipality to develop a business plan as a foundation for further engagement with potential investors. This will include the Eastern Cape provincial government, which has shown interest in replicating the CHOICES approach across the Eastern Cape. At IIED, we are documenting the learning from the first phase of CHOICES in a new web page ([www.iied.org/choices](http://www.iied.org/choices)) and will use the experience in future projects. We are developing approaches for enhanced community involvement in decision making and implementation of energy access projects. The dialogues in South Africa have much to say about why local participation is important and how it can encourage investment in sustainable energy access for low-income communities.



## Knowledge Products

The International Institute for Environment and Development (IIED) promotes sustainable development, linking local priorities to global challenges. We support some of the world's most vulnerable people to strengthen their voice in decision making.