

Call for more vigilance in energy procurement projects

Major energy procurement projects need independent oversight at all stages - pre-procurement, procurement and post-procurement - to prevent further state capture, the Southern African Faith Communities Environmental Institute (Safcei) recommends in its recent [submission](#) to the Zondo Commission on State Capture.



Francesca de Gasparis, Safcei executive director

“A number of steps and events surrounding the then proposed nuclear new build programme planning and procurement process bear the features of state capture, and need to be investigated,” it says.

The role played by state actors and individuals warrant further scrutiny and investigation. According to the multi-faith NGO, the secret and highly problematic intergovernmental agreement (IGA) with Russia, entered into in 2014 – and made binding without the necessary parliamentary approval – is one crucial example. The determinations made by the minister of energy in 2013 and 2016 that new nuclear energy was required and should be procured, but which were found to have been unlawful and unconstitutional, are further examples.

Recommendations

The submission also makes a number of recommendations, such as the need for a legislative provision requiring affordability and economic viability in energy planning and procurement to be activated. Transparent, cost-effective and independent systems for energy infrastructure developments are currently lacking. Such systems are critical to protect the public and taxpayers from future large-scale over-expenditure on risky, outdated and expensive technologies such as nuclear, and to limit opportunities for rent-seeking and corruption.

An example of good energy governance is the mechanism created to oversee the renewable energy independent power producers procurement process, which has attracted over R200bn investment and created over 35,000 jobs. This approach should be extended across energy procurement.

According to Safcei, the budget presented by Minister of Mineral Resources and Energy, Gwede Mantashe in July of this year, suggests that the government has not yet dealt with many of the concerns related to energy governance, with nuclear, coal and fracking firmly back on the table. This is despite their cost, both in real monetary terms and to the environment and communities.

"Nuclear energy is the wrong policy decision for South Africa," says Francesca de Gasparis, Safcei's executive director. "It dismally fails as a just energy choice, particularly since it is unable to reach the two million rural households who have no access to the centralised grid. The government's National Development Plan (NDP) to electrify rural households cannot be realised through a nuclear energy future. Rather, this goal will only be achievable and affordable by providing decentralised renewable energy for rural homesteads."

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