Sunshine on Restituted Land:

THE DROOGFONTEIN COMMUNITY PROPERTY ASSOCIATION AND SOUTH AFRICA'S SOLAR FRONTIER

INSPIRE
Initiative for Social Performance in Renewable Energy

Business and Human Rights Centre

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Introduction

Communal Property Associations (CPAs) in post-apartheid South Africa were established as a legal mechanism for managing land restored through the country's land restitution and redistribution programmes. Emerging from a long history of forced removals and racial dispossession, CPAs provide communities with a means to reclaim land rights, restore their social fabric, pursue local development, and advance broader socio-economic aspirations. For many communities, land restitution represents far more than the return of property. It is closely tied to dignity, recognition, justice, and the opportunity to rebuild livelihoods that were disrupted under apartheid. At the same time, many CPAs continue to face significant governance, financial and institutional challenges, often with limited support to fulfil their developmental mandate.

The Northern Cape provides an important setting within which to explore these dynamics. The province has been at the forefront of both South Africa's land restitution programme and the rapid expansion of utility-scale renewable energy development[1,2]. Its abundant solar resources have positioned it as a strategic location for investment under the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), resulting in a growing concentration of renewable energy projects across the province. Alongside electricity generation, projects procured through the REIPPPP are required to deliver a range of socio-economic outcomes, including community ownership, socio-economic development (SED), enterprise development (ED), local employment, and preferential procurement[3]. Developers must also secure long-term rights to the land on which projects are established, most commonly through lease agreements with landowners. While most renewable energy projects in South Africa have historically been developed on privately owned land, projects located on restituted or communally owned land introduce an additional and less explored dimension of participation and value creation.

For communities that own the land on which renewable energy projects are developed, participation extends beyond the programme's mandatory community benefit-sharing requirements. In addition to benefiting through community ownership structures, SED and ED commitments, and employment opportunities, landholding communities may negotiate lease agreements, participate directly in commercial partnerships with Independent Power Producers (IPPs), and in some cases secure equity linked to their role as landowners. As a result, they are positioned not only as beneficiaries of renewable energy development but also as commercial partners within the renewable energy value chain. This creates opportunities for participation, negotiation and value creation that extend beyond the minimum requirements of the REIPPPP framework.

The Droogfontein Communal Property Association (DCPA) provides an important example of this dynamic. As a restituted community that owns land hosting utility-scale solar photovoltaic (PV) projects, the DCPA occupies a distinctive position at the intersection of land restitution, renewable energy development and community participation. Unlike many communities participating in renewable energy projects solely through mandatory community ownership structures, the DCPA also participates as a landowner and commercial partner. This case study therefore explores how restored land has shaped the community's participation in renewable energy development, the opportunities and challenges that have emerged through these partnerships, and the ways in which renewable energy has contributed to the CPA's broader development aspirations.

> *Alongside electricity generation, renewable energy projects developed under the REIPPPP framework are required to meet several socio-economic objectives*

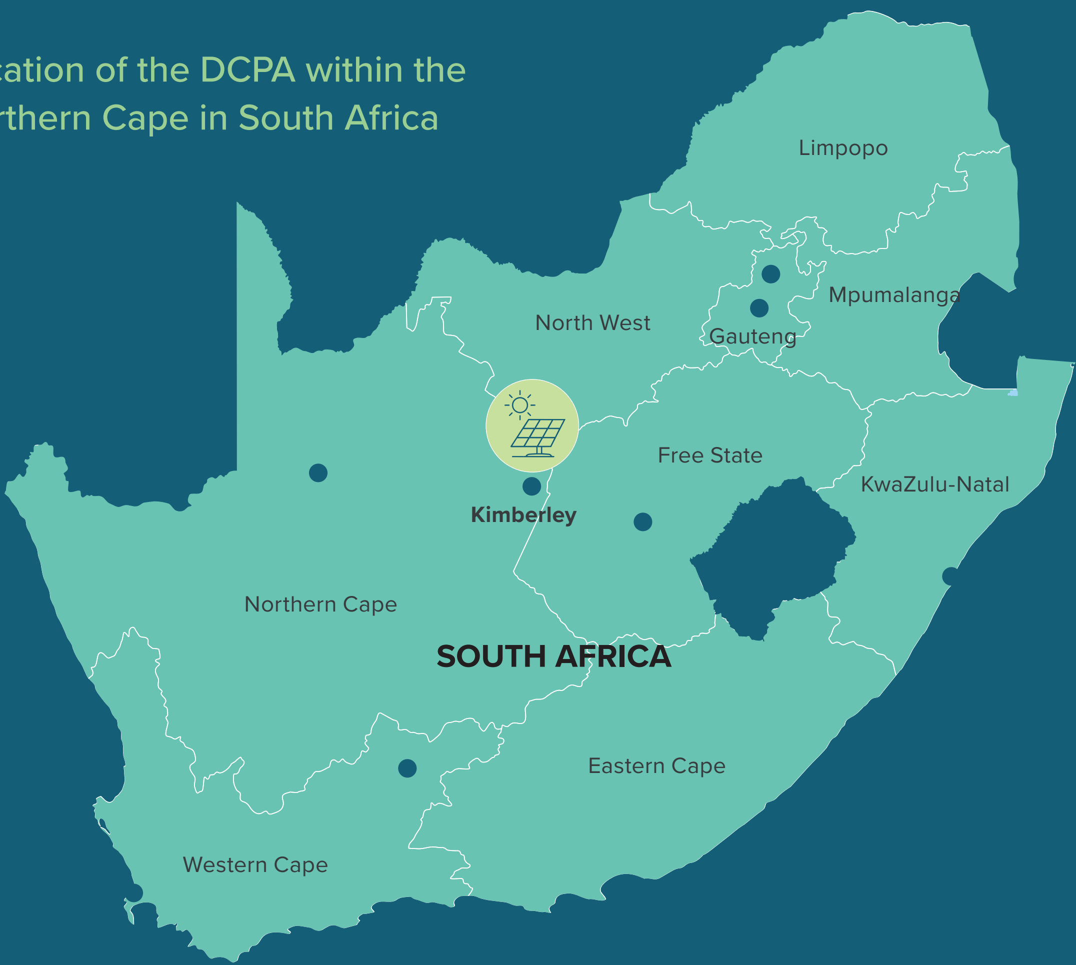
1 Northern Cape Business 2021-22 by Global Africa Network Media - Issuu

2 Northern Cape poised to become South Africa's industrial and renewable energy powerhouse

3 Under REIPPPP, projects are required to provide community benefits through local community ownership, socio-economic development (SED) and enterprise development (ED) expenditure, as well as local economic development commitments such as job creation and preferential procurement.

The case study draws on qualitative fieldwork conducted in May 2026 to capture perspectives from individuals with direct knowledge of the DCPA, its governance, and its engagement with the renewable energy projects. Semi-structured interviews were conducted with four members of the DCPA Executive Committee at their offices in Kimberley, providing insight into the organisation's governance structures, decision-making processes and benefit-sharing arrangements. Additional interviews were undertaken with a community elder in Riverton, a former member of the DCPA Executive Committee, and a consultant who has worked closely with the DCPA, offering perspectives on the historical trajectory of land restitution, institutional development and community experiences over time. To triangulate the interview data, the case study also included a document analysis of the DCPA's 2024/25 annual report and other publicly available project information. Together, these data sources enabled an exploration of the community's experiences of land restitution, renewable energy development, governance and benefit-sharing, while reflecting on broader lessons that may be relevant for other restituted and community landholding entities engaging with large-scale renewable energy investments.

Location of the DCPA within the Northern Cape in South Africa



The Droogfontein CPA: From Land Restitution to Renewable Energy

The history of the DCPA reflects the experiences of many communities whose land was taken under apartheid and later restored through South Africa's land restitution programme. Between 1947 and 1952, the people of Droogfontein were forcibly removed from their ancestral land near Riverton in the Northern Cape. Families were displaced to surrounding areas, losing not only their homes and livelihoods but also their long-standing connection to the land. Following South Africa's democratic transition, members of the community sought to reclaim what had been lost. In 1998, community elders lodged a formal land claim, and on 2 September 2006 more than 12,000 hectares of land were officially restored to the community. The DCPA was subsequently established to own and manage the restituted land on behalf of its 104 beneficiary households.

Like many newly established CPAs, the DCPA was initially responsible for managing communal land and ensuring that the restitution settlement translated into meaningful benefits for beneficiary households. However, the restoration of land also created opportunities that extended beyond agriculture and traditional land uses. As South Africa's renewable energy sector expanded under the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), the DCPA found itself in a unique position as the owner of land suitable for utility-scale solar development. Rather than participating only through the programme's mandatory community ownership structures, the DCPA became a direct land partner in commercial renewable energy projects, creating opportunities for a broader form of participation in the sector.

The first major milestone in this journey was the development of the Droogfontein Solar 1 project, a 50 MW utility-scale solar photovoltaic (PV) facility located approximately 15 kilometres outside Kimberley in the Sol Plaatje Local Municipality. Originally developed by Mainstream Renewable Power, the project is now owned by Globeleq together with a consortium comprising Thebe Investment Corporation, Enzani Technologies, Usizo Engineering and the DCPA. In addition to entering into a lease agreement as the landowner, the DCPA negotiated a 4% equity stake in the project, financed through the Development Bank of Southern Africa (DBSA). This arrangement distinguished the DCPA from many other communities participating in REIPPPP, allowing it to benefit not only through the programme's community benefit-sharing mechanisms but also through lease income and equity participation linked directly to its ownership of the land.

The DCPA's participation in renewable energy expanded further through the development of Droogfontein Solar 2, now known as Matla a Bokone. Together, these projects established renewable energy as an important component of the DCPA's development journey. More importantly, they marked a shift in the role of the CPA itself. What had initially been established as a vehicle to manage restituted land increasingly became an institution responsible for managing commercial partnerships, overseeing community investments, and representing beneficiary households in complex negotiations with private sector partners.

Today, the DCPA has evolved beyond its original role as a landholding institution into a community investment organisation. It is governed by an Executive Committee responsible for managing its land and assets, representing beneficiary households in strategic partnerships, and overseeing its development. Recognising the increasing complexity of its commercial activities, the DCPA established Droogfontein Holdings (Pty) Ltd during the 2024/2025 reporting period as its dedicated commercial entity. The company serves as the vehicle through which the DCPA can implement projects, enter into commercial agreements and manage investments on behalf of the organisation while remaining accountable to its beneficiary households.

This institutional evolution provides the context for the experiences explored throughout this case study. While renewable energy created new opportunities for the community, it also introduced new responsibilities, expectations and challenges. The sections that follow examine how the DCPA navigated these changes, the lessons it drew from participating in large-scale renewable energy developments, and how these experiences continue to shape its approach to community development and commercial partnerships.

Community Expectations and Renewable Energy Introduction

The introduction of renewable energy projects in the region was met with optimism by the community. As one of the first CPAs in the region to participate in utility-scale renewable energy development, the DCPA viewed the project as an opportunity to translate restituted land ownership into broader economic and social development. Community members and CPA leadership anticipated that renewable energy investment would create employment opportunities, improve local infrastructure, stimulate local business participation and generate lasting financial sustainability for beneficiary households. More broadly, renewable energy represented an opportunity to participate directly in South Africa's emerging green economy and to leverage its restituted land in new and meaningful ways.

For many interviewees, expectations extended well beyond financial returns. Renewable energy developments were expected to bring visible improvements to everyday life, including better housing, improved roads, recreational facilities, schools and other community infrastructure. These expectations reflected both the promises made during the early stages of project development and the community's broader aspirations following land restitution. As one community elder reflected, saying "They [the developers] promised houses, they promised playgrounds, [and] they promised development." The optimism surrounding the projects was closely linked to the belief that renewable energy could provide a foundation for sustainable development rather than simply creating a temporary economic opportunity. For many beneficiaries, the projects represented recognition that the community's restored land held significant economic value and could generate benefits for future generations. Renewable energy was therefore viewed not only as an infrastructure investment, but also as an opportunity to strengthen the community's economic position following restitution.

At the same time, participation in renewable energy introduced the community to a sector that was both technically complex and commercially unfamiliar. For many members of the CPA Executive Committee, involvement in the projects represented their first experience of negotiating with international investors, engineers, lawyers and specialist consultants. They were required to engage with legal agreements, financial models and commercial arrangements that differed significantly from anything they had encountered previously. As one former member of the Executive Committee explained, the community entered these negotiations with very limited understanding of the renewable energy sector or the contractual arrangements underpinning these large-scale investments.

Rather than discouraging participation, these early experiences became an important part of the CPA's institutional development. Interviewees consistently reflected on the first renewable energy projects as a steep learning process that fundamentally changed how the DCPA understood commercial partnerships and community participation. While the projects undoubtedly presented new challenges, they also demonstrated that restituted land could support forms of development extending well beyond agriculture. As one interviewee reflected, renewable energy marked an important turning point in the evolution of the CPA, opening new opportunities for economic participation while simultaneously exposing the community to the realities of negotiating complex commercial partnerships.

> *At the same time, participation in renewable energy introduced the community to a sector that was both technically complex and commercially unfamiliar*

This transition from optimism to experience shaped much of what followed. The lessons learned during the community's first engagement with renewable energy informed how the DCPA approached subsequent projects, strengthened its understanding of commercial negotiations and gradually transformed its role from a passive participant into a more informed and strategic development partner.

Negotiating Participation

> *Rather than discouraging future participation, these early experiences became an important source of institutional learning*

The DCPA's first experience of participating in a renewable energy project took place at a time when both the sector and the REIPPPP were still relatively new in South Africa. While community members understood the significance of the opportunity before them, they entered negotiations with limited knowledge of the commercial, legal and technical arrangements that underpin large-scale renewable energy developments. For many members of the CPA Executive Committee, this was their first experience negotiating with private investors, legal advisors, engineers and project developers on matters that would have lasting implications for the community. The imbalance in technical knowledge and negotiating experience meant that the community had to navigate complex commercial agreements while simultaneously trying to safeguard its own interests.

Reflecting on these early negotiations, former members of the Executive Committee explained that they had little understanding of the contractual arrangements governing renewable energy projects or the implications these agreements would have over the life of the project. As one former Executive Committee member recalled, many of the decisions being made at the time would only reveal their significance years later. This created an uneven negotiating environment between the community and the developers, consultants and legal advisors who were already familiar with the renewable energy sector. Interviewees consistently described this period as one of learning through experience.

Rather than discouraging future participation, these early experiences became an important source of institutional learning. Interviewees explained that each project strengthened the CPA's understanding of commercial partnerships and increased its confidence in engaging with developers. Lessons from the first renewable energy project informed subsequent developments, resulting in greater emphasis on understanding contractual agreements, protecting community interests and strengthening legal oversight throughout the negotiation process. The Executive Committee increasingly recognised that decisions made during the negotiation stage would shape the community's opportunities long after construction had been completed. As one member reflected, "What you sign from the onset on paper... you package everything." This growing institutional awareness also influenced how the CPA understood participation itself. Rather than viewing participation only in terms of consultation or community benefits, interviewees increasingly associated meaningful participation with the ability to negotiate, influence decisions and secure a stronger commercial position within renewable energy developments. Greater attention was therefore given to legal representation, contractual clarity and ensuring that lessons learned from previous negotiations informed future agreements. Equity participation, procurement opportunities and ownership structures came to be viewed not simply as financial arrangements, but as mechanisms through which the community could exercise greater influence over projects taking place on its land.

Over time, these experiences strengthened the DCPA's capacity to engage more confidently with renewable energy developers and other commercial partners. Interviewees described this accumulated knowledge as one of the DCPA's most valuable assets. Beyond the financial returns generated through renewable energy, the projects contributed to the development of institutional capacity, negotiation experience and commercial confidence that continue to shape how the DCPA approaches new partnerships. In this sense, the community's experience demonstrates that participation in renewable energy is not only about sharing in the benefits of development, but also about building the institutional capabilities required to engage more effectively in future opportunities.

Community Ownership, Benefits and Local Development

REIPPPP's community benefit-sharing requirements provide an important foundation for ensuring that communities participate in the value created by renewable energy developments. For the DCPA, however, participation has extended beyond these minimum requirements. As both the owner of the land on which the projects are located and an equity participant in the developments, the organisation has been able to engage with renewable energy through multiple benefit streams. These include lease income, equity participation, dividends and employment opportunities linked to project construction, while also creating opportunities to participate more directly in the commercial partnerships underpinning the projects.

Interviewees explained that these benefits have provided an important source of income for beneficiary households. Lease income and dividends have offered financial relief to many families while creating opportunities to invest in broader community priorities. Renewable energy developments have also contributed to local employment during construction and supported selected enterprise and community development initiatives. Although interviewees recognised that these benefits alone would not address the community's broader socio-economic challenges, they were nevertheless viewed as tangible outcomes of the CPA's participation in the projects.

Beyond these financial benefits, interviewees repeatedly reflected on the institutional value created through participation. The DCPA's involvement as both a landowner and equity partner provided opportunities to engage directly with developers, investors and commercial partners in ways that extend beyond the experience of many communities participating solely through REIPPPP's mandatory community ownership structures. Through successive projects, the DCPA strengthened its understanding of commercial partnerships, contractual negotiations and project governance. This institutional growth was viewed by several interviewees as an equally important outcome of renewable energy participation, positioning the CPA to engage more confidently in future developments.

At the same time, interviews revealed differing perspectives regarding the extent to which these benefits had translated into visible improvements within the community. While members of the Executive Committee often reflected on the projects in terms of institutional growth, sustainable investment and expanding commercial opportunities, some beneficiary households evaluated success through more immediate and tangible changes in their daily lives. For some, meaningful development was reflected in improved housing, community infrastructure, recreational facilities and other visible investments. One elder questioned whether the scale of investment visible in the renewable energy sector had yet resulted in comparable improvements within the community itself.

Rather than presenting conflicting accounts, these differing perspectives highlight the multiple ways in which communities understand development. For some, renewable energy has created a platform for building long-term institutional capacity and commercial participation. For others, the measure of success remains the extent to which these investments improve everyday living conditions for beneficiary households. Both perspectives reflect legitimate expectations of what land restitution and renewable energy development should ultimately achieve.

Despite these differing experiences, interviewees consistently acknowledged that participation in renewable energy had positioned the DCPA differently from many other communities. Through its role as both landowner and commercial partner, they have accumulated experience in negotiation, governance and partnership development while creating a stronger foundation from which to pursue future opportunities. Renewable energy has therefore contributed not only to immediate financial returns but also to strengthening the institutional capacity of the DCPA as a community-owned organisation.

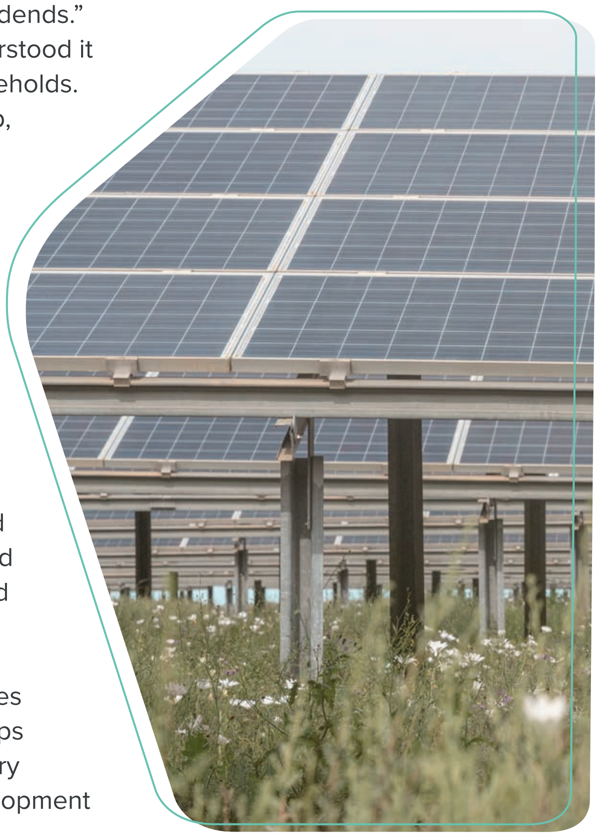
Governance, Leadership and Institutional Growth

The DCPA's participation in renewable energy developments brought with it responsibilities that extended well beyond managing land and distributing benefits. As they entered into long-term commercial partnerships and assumed greater responsibility for community-owned assets, the demands placed on their governance structures increased significantly. Managing renewable energy investments required the DCPA to strengthen its financial oversight, decision-making processes and accountability to beneficiary households, while balancing community expectations with the sustainability of the organisation.

> *For families experiencing ongoing socio-economic hardship, dividends often represented an immediate and tangible benefit of land restitution and renewable energy participation*

Interviewees described the growth of the DCPA as a gradual process of institutional learning. As renewable energy developments expanded, so too did the complexity of its role. Beyond representing the interests of beneficiary households, the Executive Committee was increasingly required to engage with commercial partners, interpret legal agreements, oversee financial management and make strategic decisions about the future of community-owned assets. Leadership therefore evolved alongside the projects themselves, requiring new skills, greater transparency and stronger governance systems to manage an increasingly complex institutional environment.

At the same time, interviews highlighted the challenge of balancing immediate community needs with longer-term development objectives. While discussions around reinvesting revenues and strengthening the CPA formed an important part of the DCPA's strategic thinking, many beneficiary households continued to prioritise more immediate financial returns. As one interviewee reflected, "Our people don't want to listen to that… they just want dividends." Rather than presenting this as a conflict, interviewees understood it as a reflection of the realities facing many beneficiary households. For families experiencing ongoing socio-economic hardship, dividends often represented an immediate and tangible benefit of land restitution and renewable energy participation. At the same time, members of the Executive Committee emphasised the importance of reinvesting resources to ensure that the CPA remained financially sustainable and capable of creating opportunities for future generations. These differing priorities illustrate one of the central governance challenges facing many CPAs: balancing present needs with long-term community development.



Participation in renewable energy has therefore contributed to the institutional evolution of the DCPA in ways that extend beyond financial returns. Interviewees consistently reflected on stronger governance, increased negotiation experience and more strategic decision-making as important outcomes of its involvement in the sector. While governance challenges remain, the experience of managing commercial partnerships has strengthened the CPA's capacity to represent beneficiary households and to engage more confidently in future development opportunities.

Lessons Learnt

The DCPA's experience of participating in South Africa's renewable energy sector offers important lessons for other restituted and community landholding entities considering similar partnerships. While each community's circumstances will differ, interviewees consistently reflected on the importance of entering commercial negotiations with a clear understanding of both the opportunities and responsibilities associated with large-scale infrastructure development.

> *A recurring lesson was the importance of securing appropriate legal and technical expertise from the outset of project negotiations*

A recurring lesson throughout the interviews was the importance of securing appropriate legal and technical expertise from the outset of project negotiations. Participants explained that many of the significant decisions affecting the community were made during the early stages of project development, with implications that extended well beyond construction. This reflected not only the increasing complexity of renewable energy developments but also the importance of negotiating ownership structures, procurement opportunities, operations and maintenance arrangements, and future community benefits before agreements are finalised.

Interviewees also emphasised that renewable energy projects should be viewed as opportunities to strengthen institutions rather than simply generate financial returns. Throughout the case study, participants reflected on how successive projects contributed to the CPA's understanding of commercial partnerships, governance and strategic planning. In this sense, institutional capacity emerged as one of the enduring benefits of the community's participation. The knowledge gained through negotiating with developers, managing investments and overseeing community-owned assets continues to inform how the DCPA approaches new opportunities and partnerships.

The interviews further highlighted the importance of investing in local skills development. While construction employment provided valuable short-term opportunities, interviewees argued that renewable energy developments should also contribute to building technical and professional skills that enable younger generations to participate more meaningfully in the sector. Greater emphasis was placed on engineering, artisan training, operations and maintenance, and professional career pathways that extend beyond the construction phase. In doing so, renewable energy can contribute not only to current employment but also to developing the skills required to support sustained community participation in the renewable energy economy.

Perhaps the most significant lesson emerging from the DCPA's experience is that land ownership fundamentally changes the nature of community participation. While REIPPPP's mandatory benefit-sharing provisions provide an important foundation for community inclusion, the Droogfontein case demonstrates that communities participating as landowners and commercial partners occupy a different position within renewable energy developments. Through lease agreements, equity participation and commercial partnerships, land ownership can provide an additional platform from which communities negotiate, influence and create value over the lifetime of a project.

Conclusion

The Droogfontein CPA demonstrates how renewable energy development on restituted land can extend community participation beyond the benefit-sharing requirements of REIPPPP. As both a landowner and commercial partner, the DCPA has leveraged renewable energy to strengthen its institutional capacity, negotiate commercial partnerships and create new opportunities for local development. While challenges remain, particularly in balancing immediate community needs with future development objectives, the case highlights the important role that land ownership can play in shaping community participation within the renewable energy sector.

Ultimately, the Droogfontein story is not simply about solar energy. It is about how restituted land can become a platform for broader economic participation and community self-determination. As renewable energy continues to expand across South Africa, the experiences of the DCPA offer valuable lessons for other community landholding entities seeking to maximise the developmental potential of their land through equitable partnerships.

> *It is about how restituted land can become a platform for broader economic participation and community self-determination*

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