

Media Statement

Decision by Joint Implementation Committee on the position of Head of IPP Office.

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The Independent Power Producers Office (IPPO) was established in 2010 through a three-party Memorandum of Agreement (MoA) between the Department of Energy, National Treasury and the Development Bank of Southern Africa.

Clause 10 of the MoA established a Joint Implementation Committee (JIC) and mandated it to oversee governance matters relating to the Office. Each party is represented in the JIC.

It is important to note that the JIC meetings are constituted as per agreement amongst the parties.


In the context of the above, the Department of Energy as the Chair of the JIC requested a meeting to address issues that were creating operational instability at the IPP Office. These matters had a negative impact on the IPP Office and, if unresolved as a matter of urgency, had potential to destabilise operations and affect personnel negatively.

The JIC unanimously agreed that the current situation was untenable, and agreed on the need for urgent action to be taken to create stability at the IPP Office. This decision is taken approximately five months after the expiry of contract of the Head of IPP Office. Since expiry of the contract, it has become clear to the Department that it is not possible to resolve the appointment of the Head of the IPP Office under the current circumstances.

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It should be noted that this JIC meeting was preceded by numerous attempts by the Department to find a resolution on the matter, including but not limited to attempts to contract the IPP Office Head directly. These attempts have not yielded positive outcome.

The Department is committed to creating stability at the IPP Office and to support the transitioning of the office into an institution established through legislation. We envisage to have a newly established institution that will have its own governance structure, in accordance with the Public Finance Management Act (PFMA) and other applicable legislation to institutions of a similar nature.

The IPP Office continues to play an important role in providing process certainty for private funding to enter power generation market, therefore it is important that our decision to stabilise operations and to strengthen governance is communicated effectively.

Ends


Issued by the Department as Chair of the Joint Implementation Committee

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