



## Environment Digest 10

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### The Turn-around Challenge for Eskom

The extent of the damage endured by Eskom over the past ten years as a result of corruption and reckless mismanagement is beyond comprehension for most South Africans. It will take a very long time, and some well thought through plans for the power utility to recover from the damage.

<https://www.corruptionwatch.org.za/scopa-takes-eskom-to-task-for-corruption-and-mismanagement/>

Eskom's inter-connected challenges (operational, financial and structural) continue to have detrimental effects on the rate of unemployment and the economy. Some businesses have struggled to the point of closing down or relocating to other countries, as a result of ever increasing electricity prices and unreliable power supply. Admitting to some of these realities, government has proposed that Eskom be restructured into three separate entities to make it efficient again and to avoid total corporate collapse in the long run.

<https://businesstech.co.za/news/energy/306202/eskoms-problems-are-financial-structural-and-operational-chairman/>

<https://www.businesslive.co.za/bd/national/2019-07-30-pravin-gordhan-appoints-chief-to-restructure-eskom/>

However, Eskom's financial challenges require more urgent interventions and cannot simply wait for the reformed business model proposed by government to take effect; the utility is not earning enough to service its debts, and these continue to grow. Fortunately, there are various other plans being discussed among the stakeholders, some of which hold much promise. Hopefully these can be out into effect soon. Meanwhile, the plan to restructure Eskom remains in the background. It was expected that earlier this month, Eskom would conclude its process of appointing the board for the three separate entities, but this has not yet happened.

<https://www.fin24.com/Economy/South-Africa/eskom-ceo-says-boards-of-separate-divisions-may-be-finalised-next-week-20200131>

<https://mg.co.za/article/2020-01-30-cosatu-has-a-plan-to-save-eskom/>

<https://www.dailymaverick.co.za/article/2020-02-10-cosatus-eskom-idea-is-catalysing-but-a-new-larger-plan-is-now-being-considered/>

<https://www.iol.co.za/business-report/opinion/dear-president-cosatus-plan-for-eskom-is-feasible-the-numbers-add-up-42593604>

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