



Policy Brief

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A vehicle to articulate development issues and foster dialogue

The Private Sector and the Sustainable Development Goals (SDGs) in South Africa

By Rogers Dhliwayo and Christy Kirkpatrick¹

Summary: *The South African private sector plays a vital role in implementing, financing, and reporting the SDGs through various strategies, including innovation and technology, sustainable business practices, corporate social responsibility (CSR), investment in sustainable projects, public-private partnerships, and corporate philanthropy. Reported SDG actions by private sector enterprises in South Africa reflect both conventional CSR approaches and models of shared value creation.*

1. Introduction

The 2030 Agenda for Sustainable Development emphasizes the crucial role of the private sector, from micro-enterprises to multinationals, in achieving the SDGs. It urges Member States to foster effective public-private partnerships (PPPs) and encourages businesses to apply creativity and innovation to tackle sustainable development challenges.

The "Private Sector Contribution for South Africa's 2024 Voluntary National Review on Sustainable Development Goals Report," the second in the series, explores how the private sector supports the 2030 Agenda and the SDGs in South Africa. It focuses on key private sector priority SDGs 4, 7, 8, 9, 11, 12, 13, and 17, highlighting the private sector's pivotal role in enhancing productivity, creating jobs, and driving economic growth. Additionally, the private sector provides essential social services such as education and healthcare and spearheads innovation and technological change.

Furthermore, in collaboration with governments, donors, and other partners, the private sector can play a key role in bridging the financing gap required to achieve the SDGs by 2030. This gap, estimated between R4.8 trillion and R6.2 trillion (\$254 billion to \$329 billion), includes investments in transport, water and sanitation, basic education, and Technical and Vocational Education and Training (TVET) from 2022 to 2030, as identified by the Development Bank of Southern Africa and the World Bank.²

However, businesses in South Africa face numerous challenges, including inadequate enforcement of competition law, low investment in human capital and technology, unreliable transportation and electricity infrastructure, insufficient access to finance, and limited opportunities for women and young people.

To address these challenges, the private sector is collaborating with the government to enhance infrastructure, diversify energy sources, improve education, foster skills development, enhance healthcare access, and improve security. Key initiatives include:

¹ Rogers Dhliwayo is Economics Adviser, UNDP South Africa Country Office, Pretoria, South Africa and Christy Kirkpatrick is Chief Executive Officer (CEO), Empanda, , Durbanville, South Africa. This policy brief is an output of the Strategic Policy Advisory and Research Unit (SPARU) of the UNDP South Africa Country Office in collaboration with Empanda. The policy brief was prepared to stimulate policy debate on the role of the private sector, in implementing, financing and reporting on f the 2030 Agenda for Sustainable Development and Africa Agenda 2063 in South Africa . The views expressed in this policy brief are those of the authors and do not represent the views of UNDP, the United Nations and Empanda or any of its affiliate organizations. For more information, please contact the corresponding author at rogers.dhliwayo@undp.org

² [Going Beyond the Infrastructure Funding Gap - A South African Perspective](#)

- **Infrastructure improvement:** Partnering with Transnet (a state-owned logistics company) to enhance port and rail infrastructure, boosting efficiency and capacity.
- **Education and skills development:** Sasol and the Motsepe Foundation provide educational programs and bursaries to improve access to quality education and develop skills in science, technology, engineering, and mathematics (STEM) fields
- **Renewable energy projects:** Companies like Enel Green Power and Mainstream Renewable Power develop wind and solar farms under the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), diversifying the energy mix and reducing the burden on the national grid.
- **Healthcare:** Companies like Aspen Pharmacare have supported vaccine production and distribution, while others have provided public health campaigns, and infrastructure improvements, particularly in response to the COVID-19 pandemic.
- **Public-private partnerships (PPPs):** Numerous PPPs focusing on infrastructure development in transportation and water management.
- **Crime prevention:** First National Bank (FNB) and Sasol have CSR programmes focused on crime prevention and youth empowerment through education and job creation.

These efforts demonstrate a multifaceted approach where the private sector collaborates with the government to tackle logistical challenges, skills challenges, power shortages, and crime, thereby contributing to a more stable and efficient socio-economic environment in South Africa.

2. Collaborative efforts in aligning private sector investments with the SDGs in South Africa

To support the alignment of private sector investments with the SDGs, the South African government, business associations, the United Nations Global Compact, and other stakeholders are actively collaborating. The government engages the private sector in institutional mechanisms for planning, coordinating, and reviewing the 2030 Agenda for Sustainable Development and Agenda 2063. Key examples include:

- **Government initiatives:** Platforms like the National Development Plan (NDP) and the Integrated Urban Development Framework (IUDF) incorporate private sector input for sustainable development projects.
- **Business associations:** Organizations such as Business Unity South Africa (BUSA) and the National Business Initiative (NBI) align business strategies with SDG targets, focusing on climate action, education, and economic growth.
- **United Nations Global Compact:** South African companies join the UN Global Compact, committing to sustainable and socially responsible policies, aligning with principles in human rights, labour, environment, and anti-corruption.
- **PPPs:** Numerous PPPs focus on renewable energy, water management, and infrastructure development, ensuring private investments contribute to the SDGs.
- **Industry-specific initiatives:** The Minerals Council of South Africa implements programs to reduce environmental impact and improve community health and education, directly supporting SDG goals.
- **Educational programmes:** The Sasol Foundation and the Motsepe Foundation provide bursaries and training programs, fostering skills development in line with SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth).

These efforts highlight the collaborative approach in South Africa to align private sector investments with the SDGs.

3. What is the private sector's contribution to the SDGs?

While the 2030 Agenda stresses the importance of private sector contributions to the SDGs, it lacks clear guidance on the scope of those contributions or ways to accurately and consistently measure them. For example, a private school providing education in remote areas may contribute to SDG 4, and a company creating job opportunities could support SDG 8. However, within the paradigm shift called for by the 2030 Agenda, these contributions need to be qualified: a private school must offer accessible quality education, and a company must create decent jobs.

Transformative change involves a shift towards increased environmental sustainability, equality, a rights-based approach to development, inclusivity, and justice – the core principles outlined in the Preamble and Declaration of the 2030 Agenda of Sustainable Development. Considering transformative change and core principles helps capture how any intervention, whether by the government, the private sector, civil society, or individuals, contributes meaningfully to SDG implementation.

While government interventions can be measured using the global indicator framework for the SDGs, complemented by qualitative analysis, there is no globally agreed framework for measuring private sector contributions to the SDGs. Multiple efforts are being made to capture this contribution, including:

- i. The Core Indicators for Sustainability and SDG Impact Reporting (GCI framework) of the United Nations Conference on Trade and Development (UNCTAD).
- ii. The SDG Impact Standards for enterprises, private equity funds, and bond issuers of the United Nations Development Programme (UNDP).
- iii. Guidance by the Global Impact Investing Network.
- iv. The United Nations Global Compact, complements its Ten Principles with Chief Finance Officer Principles.

Most existing efforts focus on socially beneficial and environmentally sustainable impact and good corporate governance.

In the absence of a comprehensive and accessible global framework, the private sector's process in assessing progress toward delivering the SDGs in South Africa was guided by the following key questions:

- i. How are companies scaling SDG action?
- ii. Are businesses of all sizes participating?
- iii. How have priorities changed since 2019?
- iv. How are businesses performing on the SDGs?
- v. Which sustainability frameworks are most used?
- vi. Is performance being disclosed?
- vii. What was the impact of the global pandemic?
- viii. Are public-private sectors collaborating well?
- ix. Are we growing sustainable investments?
- x. Have we progressed on gender equality?
- xi. What action is being taken on climate impact?

Building on available reporting, the report offers an analytical perspective on available data to contribute to the discussion on private sector engagement with the SDGs in South Africa. It lays out findings, offers analysis, and provides recommendations in line with the overall assessment of SDG achievement in South Africa. Thus, it makes the case for more detailed data production and more robust analytical tools to help assess and improve private sector contributions to the SDGs in South Africa.

4. Delivering the SDGs through business action in South Africa

Businesses and other private sector entities can contribute directly to the SDGs by producing the goods and services required to achieve a sustainable society. Beyond this, businesses in any sector can support the SDGs by adopting better business models and aligning their internal policies and standards with the principles of the 2030 Agenda. Reported SDG actions by private sector enterprises in South Africa reflect both conventional CSR approaches and models of shared value creation.

Conventional CSR approaches or models of action:

- i. **Philanthropic actions:** These are add-ons to a business's core operations, such as private sector support for charities and vulnerable groups, schools, health facilities, etc. Examples include private sector support for community health and well-being through free health screening sessions for HIV and TB, and prioritizing holistic well-being and community health, even amidst post-pandemic adversities.
- ii. **Integration of environmental and social considerations:** These actions involve integrating environmental and social considerations into core business operations, such as improving energy

and water use efficiencies, recycling materials, and enhancing working conditions. This model is widely adopted, driven by greater awareness, cost savings, stricter regulations, and reputational considerations.

Both approaches have the potential to be transformative, although philanthropy often does not address unsustainable business practices and tends not to scale. There is growing criticism of conventional CSR as box-ticking actions meant to make businesses look good, without addressing the social or environmental risks to businesses and societies.

Shared value approach:

Globally, there has been a shift towards a more ambitious and holistic ‘shared value’ approach that can bring longer-term and cumulative gains to both businesses and societies. Shared value entails a change in the business model where a firm seeks profit and competitive advantage by improving the conditions of the community in which it operates. Shared value can be created in different ways, as described in table 1, with associated South African examples. These examples show that the private sector has mainstreamed the shared value approach, with several companies taking transformative steps to strengthen their contributions to the SDGs.

Table 1.1: How shared value is created in practice ?³

Pathways for shared value creation	Examples⁴
Product, process, and market innovations in response to unmet societal needs	<p>Hollard collaborated with Lumkani to offer affordable fire detection devices for informal settlements, complemented by insurance cover. This initiative aimed to protect underprivileged homes and their belongings, addressing the issue of uninsured dwellings.</p> <p>In partnership with Modern Centric Holdings, the Zakhele’s reusable pads initiative addressed period poverty in South African schoolgirls, distributing sanitary products, hosting workshops and providing career guidance. Despite funding challenges initially, partnerships facilitated the donation of over 100,000 pads, improving school attendance and empowering disadvantaged women.</p> <p>Vodacom spearheaded initiatives in South Africa, such as Get-a-Gig and job seeker support packages, aimed at addressing youth unemployment. Through partnerships and innovations, they also drove financial inclusion with VodaLend and VodaTrade, empowering local SMEs</p> <p>SAB Foundation and SocioNext collaborated to host transformative five-day workshops in rural areas, empowering unemployed participants with essential entrepreneurial skills. With ongoing engagement, the initiative fostered inclusivity and empowerment, leading to significant economic resilience and community development</p>
Sustainability improvements in the value chain	Tiger Brands’ Smallholder Farmer Programme bolstered small-scale farmers in South Africa through financial support, enhanced

³ FSG, (2020). “The Social Ecosystem Dilemma,” Available at <https://sharedvalue.org.au/wp-content/uploads/2020/02/The-Social-Ecosystem-Dilemma.pdf>

⁴ Examples are from the Private Sector Contribution for South Africa’s 2024 Voluntary National Review on Sustainable Development Goals Report.

	<p>agricultural methods, and market connectivity, resulting in sustainable yield and income improvements.</p> <p>Bokashi Bran collaborated with thirty prominent hotel groups in South Africa to divert food waste from landfills. Commercial composting facilities were established to manage the substantial volume of food waste generated by these hotels, resulting in impressive outcomes such as 100% food waste diversion and reduction in waste collection costs</p> <p>NUDE Foods promoted zero-waste shopping, aligning with sustainable agriculture. Through regenerative farming and ethical production, they offered eco-friendly food choices, minimized environmental impact, and addressed food security through ethical consumption</p>
<p>Improvements in the conditions of the local community where the company operates</p>	<p>Collaborating with partners such as Belgium Campus and iOCO Digital, EOH invested R24,590,199 in learning and development to empower unemployed youth with job skills and entrepreneurial training</p> <p>In FY2023, DRD GOLD allocated R55.2 million to socio-economic development, targeting poverty alleviation, skills enhancement, and community empowerment. Collaborating with Umsizi Sustainable Social Solutions, their Broad-based Livelihoods Programme empowered around 8,000 participants with skills and infrastructure for sustainable livelihoods</p> <p>SAB Foundation and SocioNext collaborated to host transformative five-day workshops in rural areas, empowering unemployed participants with essential entrepreneurial skills. With ongoing engagement, the initiative fostered inclusivity and empowerment, leading to significant economic resilience and community development</p>

The private sector plays a crucial role in the implementation, financing, and reporting of the SDGs in South Africa by :

- i. **Integrating SDGs into business strategy:** Incorporating SDG targets into core business strategies to drive growth, innovation, and competitive advantage while meeting shareholder and stakeholder expectations.
- ii. **Investing in sustainable solutions:** Focusing on research and development (R&D) of sustainable products and technologies, addressing global challenges like clean energy, water conservation, and sustainable agriculture, opening new markets, and creating profitable, sustainable value chains.
- iii. **Collaborating and partnering:** Leading or participating in multi-stakeholder partnerships with governments, non-governmental organizations (NGOs), and civil society to tackle sustainability challenges effectively through collective expertise and resources.

- iv. **Reporting and transparency:** Enhancing transparency by reporting on sustainability performance and SDG-related activities, demonstrating commitment, tracking progress, and sharing best practices.
- v. **Engaging in policy development:** Advocating for and contributing to the formulation of SDG-aligned policies, helping to create an enabling environment for sustainable development.
- vi. **Empowering communities:** Investing in community development projects that align with the SDGs, such as improving education, healthcare access, and supporting SMEs, fostering social inclusion and economic empowerment.
- vii. **Sustainability in the supply chain:** Requiring suppliers to adhere to sustainability standards that align with the SDGs, promoting responsible business practices throughout the supply chain.
- viii. **Building awareness and advocacy:** Raising public awareness of the SDGs through marketing, advocacy, and educational initiatives, encouraging stakeholders to engage in actions that support the SDGs.

5. Synergizing success: how government and private sector collaboration enhance shared value in South Africa?

The South African government and private sector play crucial roles in enhancing shared value through strategic initiatives, policies, and collaborations. By fostering public-private PPPs and offering tax breaks, subsidies, and grants, the government can incentivize businesses to address social and environmental challenges. Co-investment frameworks in infrastructure, healthcare, education, and renewable energy can drive impactful projects by sharing risks and rewards.

The government can also promote sustainable practices by enforcing regulations and developing national sustainability standards while enhancing skills development through vocational training and STEM education partnerships with businesses. Supporting local procurement and SMEs through content policies and supplier development programs will boost the local economy and create jobs. Furthermore, financial incentives and public financing initiatives can facilitate access to finance for shared value projects, while investments in critical infrastructure and smart cities initiatives can reduce operational costs and drive sustainable economic growth.

The private sector can align its investments with the SDGs by integrating them into core business strategies, setting measurable targets, and regularly reporting progress using established frameworks. Engaging in PPPs and collaborating with civil society organizations/ nongovernmental organizations (CSOs/NGOs) on community-focused projects can leverage expertise for greater impact. Investing in green projects, energy efficiency, and sustainable agriculture supports climate action and responsible consumption. Capacity building and training programs for employees and local communities will improve education, healthcare, and economic opportunities, while promoting local sourcing and ethical supply chains enhances economic inclusion. Investing in innovative technologies and research focused on sustainable solutions will drive SDG progress. By fostering leadership that prioritizes sustainability and engaging with stakeholders, the private sector can effectively contribute to national development goals.

Through these combined efforts, the government and private sector in South Africa can enhance shared value, promote sustainable development, and align with global SDG targets.

6. Conclusion and policy implications

The SDGs offer the South Africa private sector a unique opportunity to drive sustainable development through three highly interrelated dimensions:

- i. **Inclusiveness:** Inclusiveness means that businesses can directly benefit the poor by addressing their problems in various contexts. Companies can involve local poor communities in business processes as producers, consumers, and even owners, offering income opportunities or providing essential goods and services. This approach not only benefits local communities but also makes business sense. **The UNDP Growing Inclusive Markets Initiative** lists several strategies and case studies demonstrating the effectiveness of this approach.
- ii. **Sustainability:** Over the past decade, companies have been increasingly encouraged to place responsible practices and sustainability objectives at the heart of their strategies to better align their efforts with the global development agenda. Central to more effective private sector engagement is the concept of 'corporate sustainability,' as articulated by the **UN Global Compact**

and the **World Business Council for Sustainable Development**. Corporate sustainability is defined as “a values- and principles-based management and operational approach to corporate management, strategy, and culture.” The number of firms participating in the UN Global Compact has grown steadily, now exceeding 8,000. This shift represents businesses retooling to meet the challenges of the 21st century, requiring both internal and systemic changes.

- iii. **Partnering:** A crucial means for supporting change, and an end in itself, is cooperation. SDG 17 calls for the revitalization of “the global partnership for sustainable development,” recognizing that complex challenges require integrated responses, drawing on resources and know-how from all stakeholders. An example is the Global Alliance for Improved Nutrition (GAIN), a multi-partner initiative involving governments, civil society, the private sector, and multilateral agencies to reduce malnutrition. This initiative demonstrates an original and effective model of partnership.

SDGs 8, 9, and 12, which address economic growth, employment, industrialization, innovation, and production and consumption patterns, underline the importance of inclusive and sustainable approaches, encouraging their application in business practices.