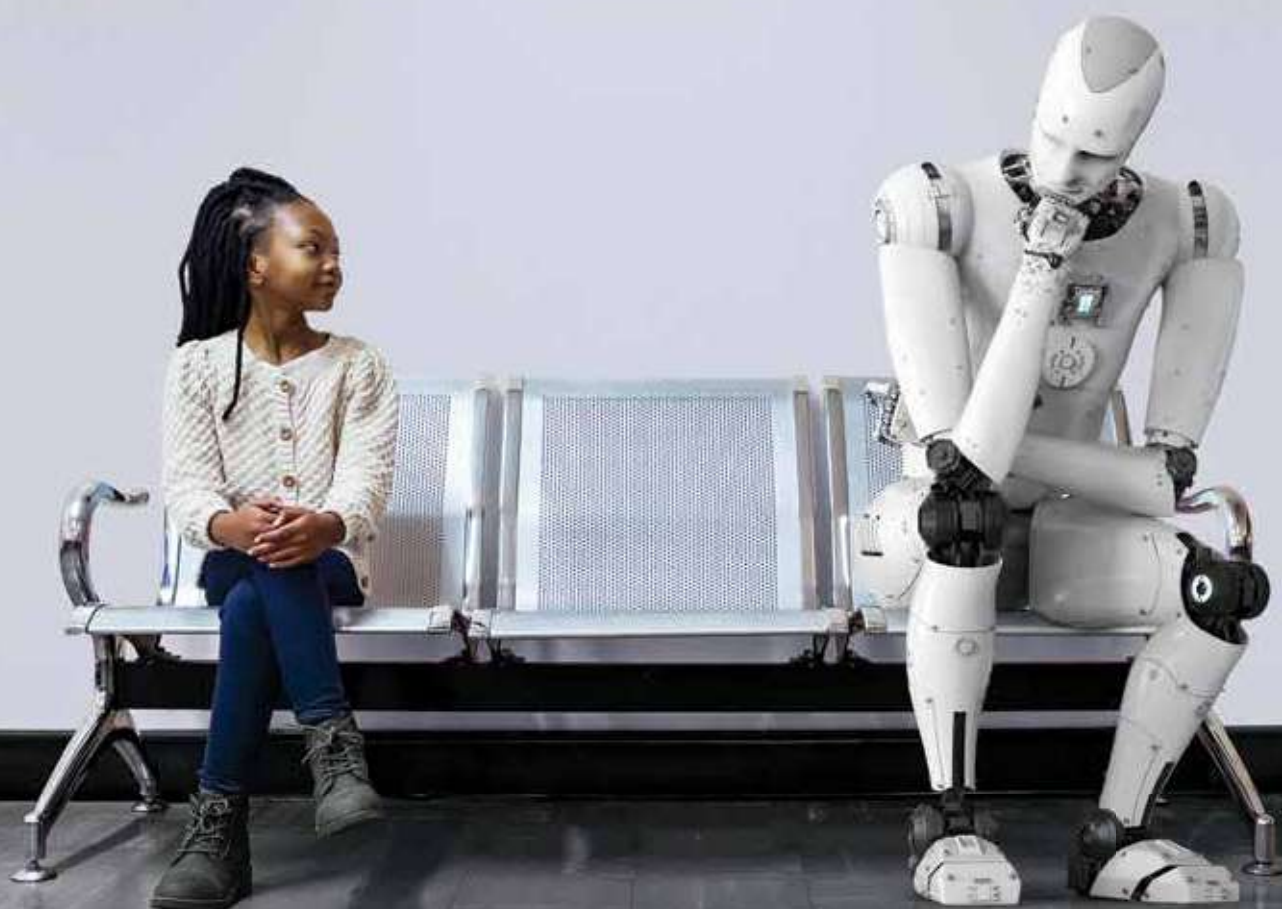




trialogue

**BUSINESS
IN SOCIETY**
HANDBOOK
2018



Soon, it will be tougher to win Employee of the Month.

Experts predict that by 2030, three out of 10 jobs will be performed by automated machines. The human brain will remain irreplaceable, but the skills required to work with robots will be different from the skills we work with today. Educating our children to be equipped with these skills has never been more important. That's why we've implemented the Blue Ladder Schools project that partners with schools, educators and communities to improve maths tuition and nutrition and upgrade key facilities. It's just one of the ways we're thinking about planning for a financial future for generations to come.



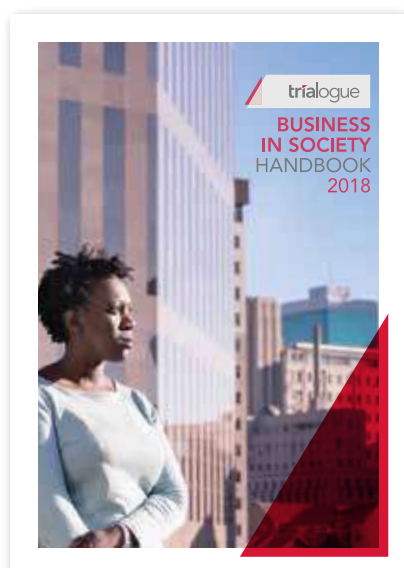
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This 21st edition of the Handbook builds on the publication's well-established reputation for providing comprehensive and reliable data and thought leadership on corporate social investment (CSI), while also responding to the increasingly holistic role of business within society, including but not bound by the concept of CSI.



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Chapter one: The state of CSI in South Africa

The most noteworthy results from Trialogue's 2018 research into spending patterns and corporate approaches to CSI; criteria applied to determine strategic CSI; and profiles of the recipients of Trialogue's Strategic CSI Award 2018.

2

Chapter two: Development sectors

An overview of the national context, fiscal and CSI support, as well as topical issues affecting 12 development sectors.

3

Chapter three: Corporate practice

In-depth profiles of select companies' CSI strategies, approaches to, and lessons in development.

4

Chapter four: Global perspectives

Trialogue is the Southern Africa local authority for a global network of responsible business and social development-focused organisations, called the Global Exchange. This chapter collates trends and insights from this network to provide global perspectives on the role of business in society.

5

Chapter five: Features

An anthology of articles on topical issues in development, including how corporates can support access to tertiary education; the type of collaboration needed to move South Africa forward; innovative financing; risk management in development; and CSI that leaves a lasting legacy.

NPO directory

A guide to funding social development in South Africa, including an overview of the non-profit landscape; the tax implications of funding non-profit organisations (NPOs); advice on what constitutes a good fundraising pitch; and listings of NPOs working across various sectors.

Viewpoints

Expert opinions on topical issues, ranging from interventions in education and health, to how business can support social enterprising and land reform.

The Trialogue Business in Society Handbook 2018 (21st edition)

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Cape Town, South Africa

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From our much-loved ciders to our acclaimed spirits, we craft extraordinary products and brands - all of which wouldn't be possible without our extraordinary people and the extraordinary communities that they are a part of.

It's for this reason that we proudly support several CSI interventions that focus on tomorrow's issues today, whether it's creating sustainable communities, enterprise initiatives or reducing the harmful effects of alcohol abuse.

For us, the most rewarding investments are the ones that improve lives. Through our efforts, we remain committed to empowering our communities, inspiring future generations and crafting a better future for thousands of South Africans.



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In my keynote address on ethical business leadership, delivered at Trialogue's Business in Society Conference in mid-2018, I spoke about how business South Africa was basking in the glory of positive sentiment, with the then-recent appointment of a new president. I also made observations on how the few steady changes that had come with this shifting of gears has given the country and its citizens, including corporate citizens, a second – and last – chance. Some of the country's top institutions have survived a systematic hollowing out, which left millions of already vulnerable South Africans even more vulnerable. It is now, more than ever, part of our duty as business and community leaders to do the extra work to ensure that those who have less levers in society are supported. We need to broaden the conversation to include more stakeholders. In order to make use of this last chance, business must focus on both nation building by teaming up with civil society in holding elected leaders accountable and to advocate for the appointment of suitable and ethical leaders. These same ethical practices must also be implemented in our own boardrooms, starting with our own business practices and the values we uphold. We cannot as business talk about concepts of 'shared value', for example, and still pay our own employees an indecent wage. We ought to be bold enough to not only pay lip-service to policies and global compacts such as gender equality, youth empowerment and transformation, but to pioneer ways of making them a reality.

We speak of empowering women in the workplace, yet there are no real visible changes within most boardrooms or places of business. Women still need to be advocated for by men in order for their voices to be heard and the gender pay gap persists. Domestic work is still undervalued, and childcare is a secondary consideration. The rampant abuse and gender-based violence towards women in our society is testament to how far we still need to go in healing deep wounds in our nation. In supporting mothers and caregivers, as business we can begin to shift our focus away from playing a separate role in society to one that orchestrates a social consciousness, which places the values of integrity and accountability for society's welfare at the core of how we function. We can adopt a form of social cohesion by focusing on contributing to the nurturing of well-rounded future leaders who will have the same values that are enshrined in our businesses.

Youth unemployment is a crisis in this country and youth are bearing the brunt of poor governance and bad fiscal choices. With the recent investment and jobs summits, we saw greater commitment from business to unlocking the potential of our young people. We want to make more seats available at the economic table. It is time for us as business to move away from considering the youth as merely a workforce but as the co-creators of the future South Africa we are all going to live in. At these summits, I learned that listening to young people is key to inclusive socioeconomic growth. The insights they provided made the debates more rigorous and focused. They are hungry to provide solutions and we would be none the wiser if we do not listen to their wisdom.

True transformation means that as a collective we are creating a future that has no resemblance to the past. Transformation is hard work. It is painful and emotive. We need to address issues such as poverty, economic equality and land, with greater seriousness. It is white people who need to ensure that black people not only regain their self-esteem and dignity but that they get out of this vicious, self-perpetuating cycle of abject poverty.

It is also an exciting time for us. To evoke an isiZulu proverb; *Izandla ziyagezana* (many hands make light of the work) – and that is what we will need to do together as business, civil society and government to ensure that our very last chance is not squandered. As business, we need to step up to the challenge of co-creating a more socially just society. We need to answer the proverbial call and set an example of good governance, socially just practices, environmental stewardship and good corporate citizenship.

I want to congratulate Trialogue on this 21st Handbook – another stellar edition, which reinforces my call for ethical, inclusive and collaborative business leadership.

Bonang Mohale

CEO of Business Leadership South Africa



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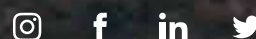
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In previous editions, the content of the Handbook was developed around a predetermined theme based on trends in corporate social investment (CSI). This year, however, we first identified a broad range of issues impacting the roles and responsibilities of business in society and then allowed the theme to organically emerge from the content. It's no coincidence that collaboration pervades this coming-of-age edition. After two decades of tracking CSI, the publication continues to underscore – with greater emphasis each year – the crucial need to work together, across sectors, to enhance the impact and sustainability of developmental initiatives.

In *Global perspectives on collaboration for development* (pages 162–167), which provides an overview of the state of cross-sector collaboration as perceived by Trialogue's fellow Global Exchange partners, true collaboration is described as "joint participation and the contribution of skills and resources to a collective process". Easier said than done, I know. What becomes of a collaborative process when there are competing objectives, a lack of resources, time, leadership or, perhaps worst of all, a lack of trust?

Drawing from Adam Kahane's book, *Collaborating with the Enemy: How to work with people you don't agree with or like or trust*, Colleen Wagner writes about the kind of collaboration that is needed to move South Africa forward (pages 196–200), encouraging an approach that embraces conflict and connection, curiosity and courage. Imagine what we could achieve as a society if we trusted one another, were encouraged to embrace our diverse perspectives and skillsets, and collaborated to create innovative solutions to social challenges – concepts further explored in *Leading through complexity* (pages 176–179) and *Business in society* (pages 182–185).

The Handbook – not just this edition, but the 20 that have come before it – are testimony to the legacy that sprouts from collaboration that is rooted in a shared end goal.

I want to sincerely thank all our advertisers and research participants, expert contributors and the phenomenally talented and dedicated Handbook team that has worked tirelessly to produce this high quality and industry-leading publication.

I hope that these pages are inspirational, practical and dog-eared by the time the next edition rolls around.

Zyaan Davids Anter

✉ zdavids@trialogue.co.za

Uplifting Communities in motion

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Total South Africa is on a mission to fuel long-term sustainable growth. Our goal is to become the Responsible Energy Major, contributing to better energy, socio-economic development and upliftment in the communities we operate.

We're a global leader making a difference through focused CSI initiatives dedicated to key areas: Youth Inclusion and Education, Climate and Environmental Conservation, Cultural Dialogue and Heritage, Road Safety and Entrepreneurial Development. Through our partnerships with NGOs, suppliers, customers and other corporates with a shared vision, we are able to bring a meaningful change which has a positive and sustainable impact on our beneficiaries.

Visit www.total.co.za for more about our initiatives.



TOTAL

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Corporate research respondents

Triologue thanks the following companies for their participation in the 2018 primary research.

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Ackerman Pick n Pay Foundation	JSE
AECI	Land Bank
AECOM	Liberty
AfriSam	Massmart
Afrisun (Sibaya Community Trust)	Mercedes-Benz South Africa
Airports Company South Africa	MMI Holdings
Alexander Forbes	MRP Foundation
Anglo American Chairman's Fund	MTN SA Foundation
Anglo American Platinum	Nashua
Aspen Pharmacare	Netcare
Avis Budget	Oceana Group
Barloworld	Parmalat SA
Blue Label Telecoms	Pep Stores
Capespan	PetroSA
Capitec Bank	Pioneer Foods
Chevron SA	PPC
Clicks	RCL Foods
Clientèle	SA Sugar
Clover Mama Afrika Trust	SABC
Datatec	Santam
De Beers	SAPPI
Denel	Sasol
Dimension Data	Shell
Discovery	Shoprite Checkers Holdings
Distell	South African Breweries
Exxaro	Spier Farms
Futuregrowth Asset Management	Standard Bank
Gold Fields	Ster-Kinekor
Grindrod	Sun International
Growthpoint Properties	Telkom
HCI Foundation	The Foschini Group
Hollard	Tiger Brands
Illovo Sugar	Tiger Brands Foundation
Impala Platinum	Transnet
Industrial Development Corporation	Woolworths
Investec	Yum Foods KFC

Lucky draw winner

Respondents were entered into a lucky draw upon completion of the corporate research questionnaire. Congratulations to the winner, MRP Foundation. Read more about this company in their complimentary feature on page 175.



Addressing special needs through ICT in education.

MTN SA Foundation is committed to promoting education, transformation & development in the disadvantaged communities of South Africa. Technology and telecommunications are employed to enhance teaching and learning in every school, particularly schools for learners with special needs. As the corporate social investment vehicle of MTN, the MTN SA Foundation harnesses the company's leading innovations in telecommunications to provide learners with tools to enhance their learning experience.

everywhere you go



NPO research respondents

Triologue thanks the following non-profit organisations for their participation in the 2018 primary research.

7th Heaven Children's Haven	Dependable Strengths e-Afrika	Great North Business Incubator
911 4 kidZ	Dignified Care Foundation SA	Growing Champions
Abraham Kriel Bambanani	Door to Door Foundation	Guardian Angels Care and Support Organisation
African Children's Feeding Scheme	Early Learning Resource Unit	Haemophilia Foundation
Action for Blind and Disabled	Educanda	Health Systems Trust
Africa Food for Thought	Educo Africa	Helderberg Hospice
African Solutions to African Problems	Egoli Squash	help2read
Afrika Tikkun	Elsen Academy	Hennenman Victim Empowerment Forum
Animal Allies	El-Shammah Home for Abandoned Babies	Hobbiton-on-Hogsback Association
Association for the Physically Disabled – Nelson Mandela Bay	Empowervate Trust	Home Start South Africa
Association for the Physically Disabled Greater Johannesburg	ENGage	HOPE
Autism South Africa	Environmentorz	HOPE Africa
Badisa	Epilepsy SA – Free State and North West	Hope Schools
Bless-a-Baby	Epilepsy South Africa	House of Hadassah
Bopa Monyetla	Feathers and Scales Wildlife Education and Rehab	Housing Africa Initiative
Bophelong Tutoring Programme	Feed the Babies Fund	Hugo Lambrechts Music Trust
Border Rural Committee	Flying Children	Humana People to People Foundation
Botshabelo	Flying for Life	Husky Rescue KZN
Bright Kid Foundation	Focus on iThemba	i4118 Foundation
Bright Start Education Support Services	Foundation for Professional Development	Independent Examinations Board
Cart Horse Protection Association	Fresh Hope eLearning Centre	Impilo Child Protection & Adoption Services
Catholic Healthcare Association of Southern Africa	Friends of Valkenberg Trust	Institute for Justice and Reconciliation
Centre for Development and Enterprise	Friends of Vista Nova	Interface KZN
Centre for Early Childhood Development	FRWCR-DO IT Consulting	Isiaiah 54
Centre for HIV/AIDS Prevention Studies	FunDza Literacy Trust	JAM South Africa
CHOC Childhood Cancer Foundation	Futballing Girls	James House Child And Youth Care Centre
Community Chest Durban	Future Families	JET Education Services
Cornerstone Training Centre	Future of the African Daughter	Jewels of Hope
Cotlands	Gay and Lesbian Network	Jikani
Curriculum Development Project Trust	Get Up Woman	Jo'burg Child Welfare
Daktari Bush School & Wildlife Orphanage	GF4GF Centres	Johannesburg SPCA
Dennilton Educational Movement	gold Youth Development Agency	Kamva Elitsha Vosloorus Community-based Services
	Grassroot Soccer South Africa	
	Great Girls	

Kheth'Impilo	National Freedom Network	SA NPO Network
Khulisa Social Solutions	National Mentorship Movement	Sahara
Khulumani Support Group	Nead Community Development	Santa Shoebox Project
Kids Haven	Nelson Mandela Children's Fund	Save the Children SA
KidsCan!	NOAH	Second Chance Recovery Centre
Kidz Care Trust	Northcliff Primary School	SECTION27, Incorporating the AIDS Law Project
Kingdom Kidz Construction Ministry	One Voice South Africa	SHAWCO
Kutullo Stimulation and Day Care Centre	Onesimus Holdings	SiliconCape
KwaHilda Ongcwele HIV/Aids Centre	Optimystic Bikers against Abuse	Sinamandla
LEAP Science & Maths Schools	Orange Babies South Africa	Sister's Keeper
Learn to Earn	Orion Organisation NPC	Siyaloba Training Academy
Lejwe La Thuso Community Services	ORT South Africa	Siyazana Youth Development Fund
Life 4 U Foundation	Park Care 24/7 Specialised Frail Nursing Centre	Sizanani Home Trust
Life Choices Pregnancy Crisis Centre	Partners In Destiny	Slovo Centre of Excellence
Lifexchange	PEN South Africa	Social Development
Little Eden Society	People Against Substance Abuse	Social Law Project, UWC
Little Fighters Cancer Trust	Phidisa Community Project	Social Surveys Institute
Livelyhood Horizon	Pikkewyntjies/Penguinkidz Preschool	SOS Children's Villages South Africa
Lizhomes	Pinelands High School	South Africa Volunteer Work Camp Association
Love Your Nuts Foundation	Precious Possession Day Care	Southern Africa Youth Project
Lusemanzi Early Childhood Development Centre	Prevailing Word Ministries International	Sparrow Schools Educational Trust
Mama Ntombi's Community Projects	Programme for Technological Careers	SPCA Bloemfontein
Masikhule Early Childhood Development Centre	Project Gateway	Spirit Dominion Foundation
Matrixmen	Raising Giants Organisation	Spot Lite Development
Mazarat Animal Rescue	Ratanang Soup Kitchen	St. Paul's Primary
Meals on Wheels Community Services South Africa	READ Educational Trust	Stellumthombo
Mfesane	Readers R Leaders	StreetSmart Homeless Children's Charity, South Africa
Mosamaria	Rescue Among Many	Student Sponsorship Programme
Mother Touch Academy	Resthaven Ministries	Sunfieldhome Wellington
Muscular Dystrophy Foundation of South Africa	The Regional Inter-agency Task Team on Children and AIDS in Eastern and Southern Africa	Supapele NPC
Mutshedzi Foundation	Rokpa Trust Gauteng	TB HIV Care
Nashua Children's Charity Foundation	Rural Development Support Program	TEARS Foundation

Thanda	Ubuhle School
The Almond Tree	Ubuntu Community Chest and Community Chest Fund
The Breast Health Foundation	Ubuntu House Child & Youth Care Centre
The Character Company	Ubuntu Workshop for the Blind
The Compassionate Friends	Uitkoms Home for Girls/Uitkomstehuis vir Dogters
The Cradle of Hope	Umthombo Wempilo
The Equinox Trust	University Research Co. LLC
The Heartlines Centre	Unjani Clinics
The Imbali Foundation	Uplands Outreach
The Johannesburg Children's Home	Uviwe Child & Youth Services
The Kamvalethu Foundation	Vastfontein Community Transformation
The Knysna Education Trust	Victim Support Centre Middelburg
The La Lucia Baby House	Viva Foundation of South Africa
The LifeMatters Foundation	Voice of the Youth
The Mila Association	Vuka Skhokho: The Jermaine Lungile Schmidt Rehabilitation Programme
The Novalis Ubuntu Institute	Vusimuzi Social Collective Centre
The President's Award for Youth Empowerment	Wana Johnson Development
The Reading Room	Western Cape Association for Persons with Disabilities
The Retrade Project	Western Cape Network on Disability
The Saartjie Baartman Centre for Women and Children	Western Province Blood Transfusion Services
The Social Project	Wheelchair Tennis South Africa
The South African Institute for Distance Education	Women of Vision
The Sozo Foundation	Wordworks
The Storehouse	Young World Educare
The Teddy Bear Clinic for Abused Children	Youth Against HIV/AIDS and Poverty
The Unlimited Child	Youth in Action Organisation
The Winners Club Projects	Youth in Divine Society
Thembani Haven of Care Organisation Network	Youth on Life Skills
Thubelihle Academics	
Trendsetters Youth Foundation	
Tshegofatso	
Tshwane Leadership Foundation	

Lucky draw winner

Respondents were entered into a lucky draw upon completion of the NPO research questionnaire. Congratulations to the winner, Early Learning Resource Unit. Read more about this organisation in their complimentary feature on page 201.



Promoting the sustainable provision and conservation of water

If there is magic on this planet, it is contained in water.

Loren Eisely



Guided by the global Sustainable Development Goals, National Development Plan and the Department of Water and Sanitation's developmental priorities, and through key partnerships, we strive to advance the quality of life for the communities that we serve by ensuring the sustainable provision and management of water, sanitation and the environment.



In a severely water-stressed country, Rand Water Foundation is committed to the promotion of water conservation and demand management. Our efforts to preserve water range from clearing alien vegetation, which facilitates job creation, skills transfer and enterprise development in local communities, to educating communities on why and how to save this vital life source.



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FOUNDATION**

www.randwater.co.za

Our broad and holistic CSI portfolio includes initiatives in the following key developmental areas:

Water and sanitation

We support the provision of and equitable access to clean and safe water and basic sanitation in schools and communities and are committed to the eradication of the bucket system. We also assist municipalities with capacity building and skills development in waste-water treatment plant maintenance and operations, rainwater harvesting and the repair of domestic water leaks.



School sanitation and water supply

Environmental conservation

In an effort to safeguard and beautify our communities, we plant, maintain and nurture vegetation, reduce soil erosion and increase surface filtration in rural and urban environments.



Greening initiative at Witbank park

Education and training

Rooted in the belief that quality education is imperative for a more equal and prosperous society, we contribute to quality basic education by supporting the development of early childhood development (ECD) infrastructure. We also run back-to-school resource initiatives, adopt-a-learner study programming, national curriculum support, media centres and career guidance programming.



Supporting the development of ECD infrastructure



Back-to-school education support



Support for entrepreneurship and business incubation

Enterprise development

We incubate businesses to enable emerging entrepreneurs and enterprises to flourish and contribute towards economic growth.

Healthcare and HIV/Aids programme

By partnering with government and non-profit organisations, we contribute to the development of healthcare infrastructure, the provision of state-of-the-art healthcare equipment and the improved quality of community healthcare.



Community based health infrastructure

Support for non-profit organisations

By supporting non-profit organisations with funding, training and development, and corporate staff involvement, we aim to help address poverty, unemployment and skills gaps and maximise economic opportunities.



Support of ECD centres

Empowering women and youth

The Pink Drive initiative promotes healthy living. It especially serves women with information on the prevention and early detection of breast cancer.



Promoting healthy lifestyles within communities

Rand Water Foundation
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www.randwater.co.za

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ENRICHING LIVES

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People are the foundation on which exceptional performance is built and Implats are committed to developing and empowering these people.

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Investment and development of clinics

90%

of employees in South Africa are local

Apprenticeships and learnership programmes & investment in the development of schools

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EMPOWERING LOCAL COMMUNITIES THROUGH INFRASTRUCTURE & SOCIO-ECONOMIC DEVELOPMENT

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invested in improving housing since 2007

Joint ventures with local entrepreneurs

R2.9 billion

spent at local BEE compliant suppliers in 2018

R9.1 billion

discretionary procurement spend in 2018

Support from development and advisory programmes to local SMMEs and black-owned businesses

CREATING AN ENVIRONMENT FOR SUSTAINABLE BUSINESS OPPORTUNITIES

EMPOWERMENT THROUGH HEALTH AND WELLBEING

HIV/Aids
counselling,
testing and
wellness
programme

R486
million

invested in skills
development in
2018

We are committed
to ensuring our
people contribute
to and benefit from
our success

EMPOWERMENT THROUGH DEVELOPING TALENT AND LEADERSHIP

93 hours

of training provided
to each employee
in 2018

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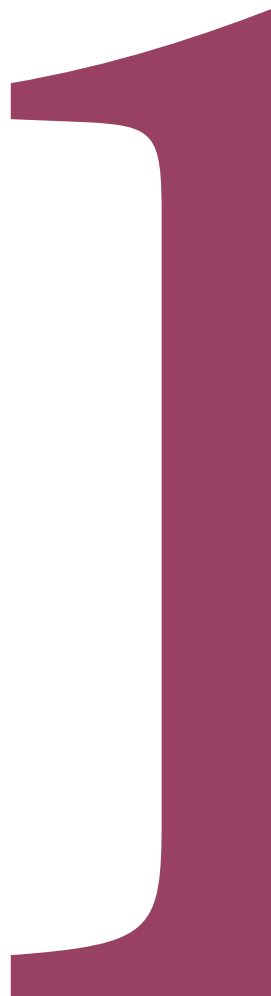
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THE STATE OF CSI IN SOUTH AFRICA

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CHAPTER ONE

The most noteworthy results from Trialogue's 2018 research into spending patterns and corporate approaches to CSI; criteria applied to determine strategic CSI; and profiles of the recipients of Trialogue's Strategic CSI Award 2018.

2018 CSI research findings AT A GLANCE

Total estimated CSI expenditure in 2018 was
R9.7 billion

A 6.8% nominal and 2.5% real increase from the R9.1 billion estimated spend in 2017

62%
of corporates increased their
CSI expenditure in 2018

The most common reason given for increased CSI expenditure was project requirements/recipient needs.

Education

Social and
community
development

Health

remain the top three
most supported
development sectors

44% of CSI expenditure

17%

9%

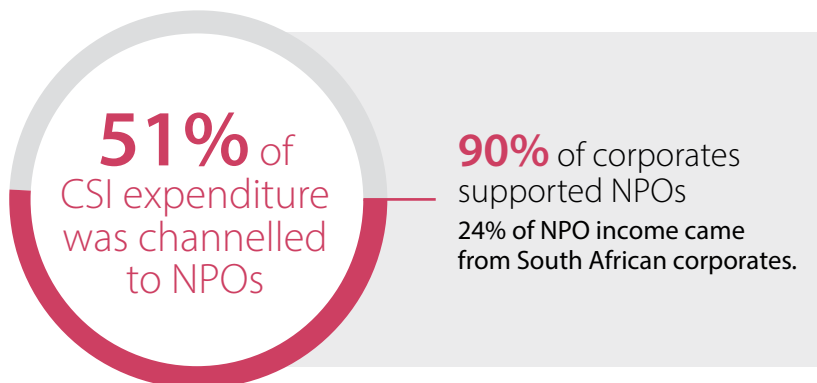
Companies supported projects in an average of 4.6 sectors.

39%
rural
projects

Proportion of CSI expenditure

Companies supported projects in an average of 2.3 provinces. National projects continued to receive the largest portion of CSI expenditure, followed by projects in Gauteng, the Western Cape and KwaZulu-Natal.

57%
urban and peri-
urban projects



1/2

Over half of companies supported 20 or fewer projects
Most companies (76%) had between one and five flagship projects.



80% of companies had employee volunteer programmes in 2018
Non-profits most liked fundraising and collection drives, which were offered by 81% of companies.

44% of companies had exit strategies for all their CSI projects.
28% did not have exit strategies for any of their CSI projects.



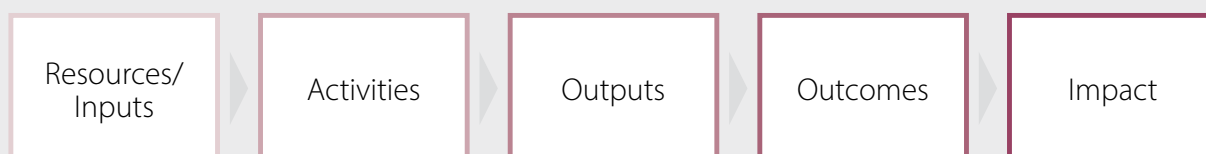
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85% of companies  and  **68%** of non-profits

measured outcomes for one or more of their projects. Over half of companies claimed to measure outcomes for all grants.

97% of companies and 65% of non-profits used data gathered from monitoring and evaluation to report to their boards. Only 21% of companies used this data to influence public policy.

Monitoring and evaluation logic model



Trialogue's 2018 research was conducted with 74 companies and 254 non-profit organisations.

Overview of 2018 CSI research

For more than two decades Trialogue has conducted research into the state of corporate social investment (CSI) in South Africa. This chapter outlines the most noteworthy results from the 2018 primary research as well as Trialogue's secondary analysis of CSI expenditure. Note that '2018' refers to data from the 2017/18 financial year, which differs across organisations, depending on the month of financial year-ends.

Estimate of total CSI expenditure

This estimate is based on analysis of the CSI expenditure of listed South African companies and state-owned enterprises. Our analysis takes into account:

- Year-on-year changes in the CSI expenditure of 126 listed companies, using publicly reported data
- Year-on-year changes in the CSI expenditure of the 74 companies that participated in Trialogue's 2018 primary research
- A comparison of the combined CSI expenditure of the top 100 companies
- An extrapolation of total expenditure based on estimated numbers of smaller companies.

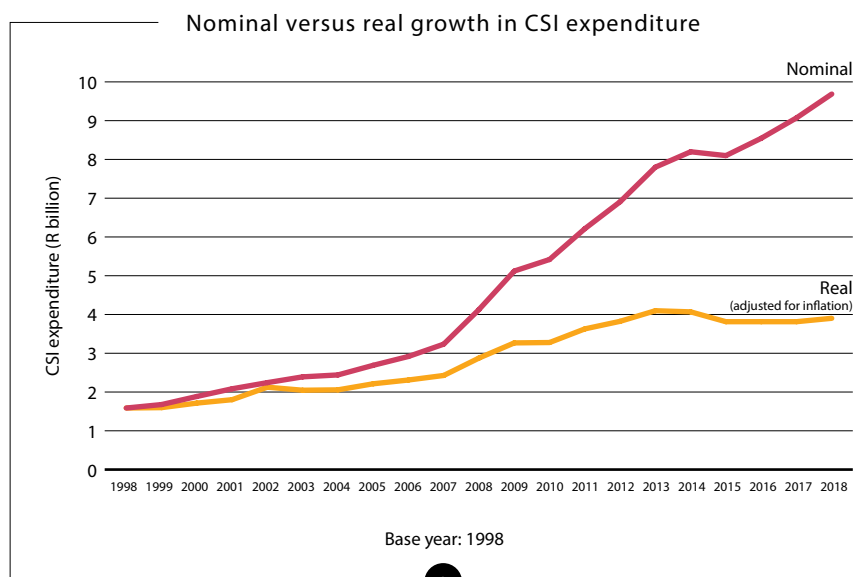
Total estimated CSI expenditure in 2018 was
R9.7 billion

This represents a 6.8% nominal and a 2.5% real increase from the R9.1 billion estimated spend in 2017

Trialogue estimates that companies in South Africa have contributed R153 billion to social development over the past 21 years (in 2018 real terms).

Growth in total CSI expenditure

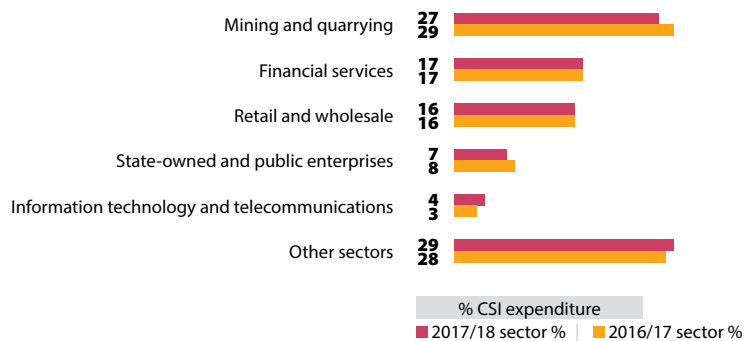
- Until 2013, Trialogue consistently found that the total annual estimated CSI expenditure was growing in real terms. In 2014 and 2015 CSI expenditure experienced negative growth in real terms (-2% and -6% respectively) and in 2016 and 2017 growth in real CSI expenditure was flat.
- In 2018 our CSI estimate revealed a 6.8% increase from the previous year, to R9.7 billion. This growth is higher than inflation over the review period, reflecting 2.5% growth in real terms.



CSI spend across sectors

- The mining, financial and retail sectors together accounted for just under two-thirds (60%) of total CSI expenditure, with mining and quarrying alone accounting for 27% of total CSI expenditure.
- The oil and petroleum sector made up the biggest portion of the 'other sectors' category.

Distribution of CSI expenditure by industry sector

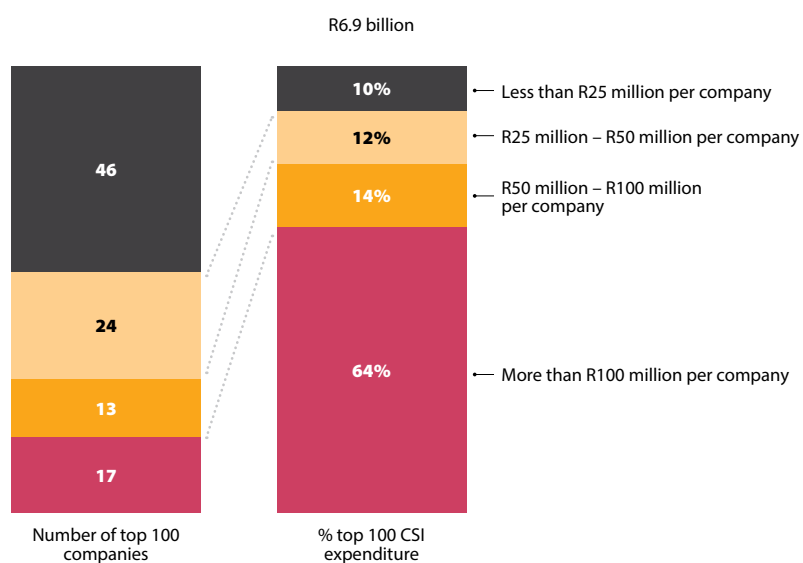


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CSI spend of top 100 companies

- CSI expenditure remains concentrated among larger companies. The top 100 companies (by CSI spend) invested R6.9 billion, or 71% of the total CSI expenditure.
- Just 17 companies accounted for over half (64%) of the total amount spent by top 100 companies.

CSI expenditure of top 100 companies



3

Respondents

Corporate

Between June and September 2018 professional researchers conducted face-to-face interviews with CSI representatives from large South African companies. Companies also had the option of self-completing the questionnaire, which was then verified.

- There were 74 participating companies. Of these, 61 (82%) also participated in 2017.
- Since it was first measured in 2011, financial services has been the best represented sector in the corporate respondent sample (19% in 2018), followed by retail and wholesale (15%) and mining and quarrying (12%).
- More than 80% of companies had an annual income of over R1 billion in their latest full financial year.
- Over half of the companies (54%) employed fewer than 5 000 people, while 18% had more than 20 000 staff members.



Global Exchange

Triologue is the Southern Africa Local Authority for a global network of responsible business and social development-focused organisations, called the Global Exchange. The initiative is overseen by the US-based CECF: The CEO Force for Good. We once again aligned our corporate questionnaire with the *CECF Giving Around the Globe* report which includes data from 18 South African companies that participated in Triologue's research.

See 'Trends in global corporate giving' on pages 170–173.

NPO

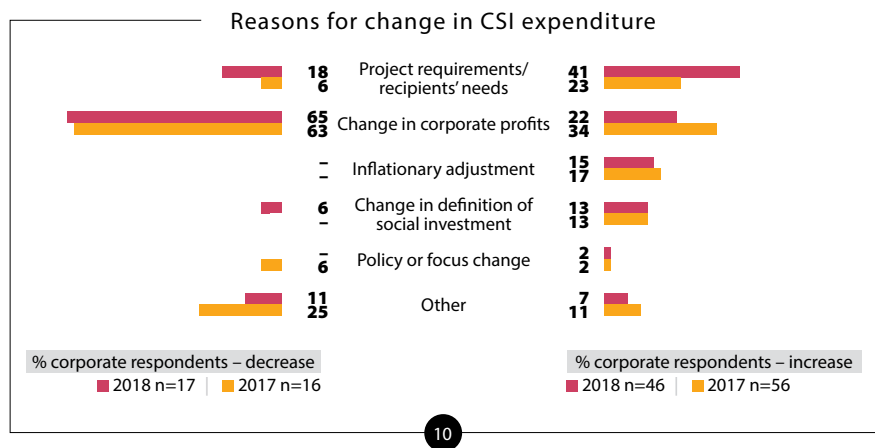
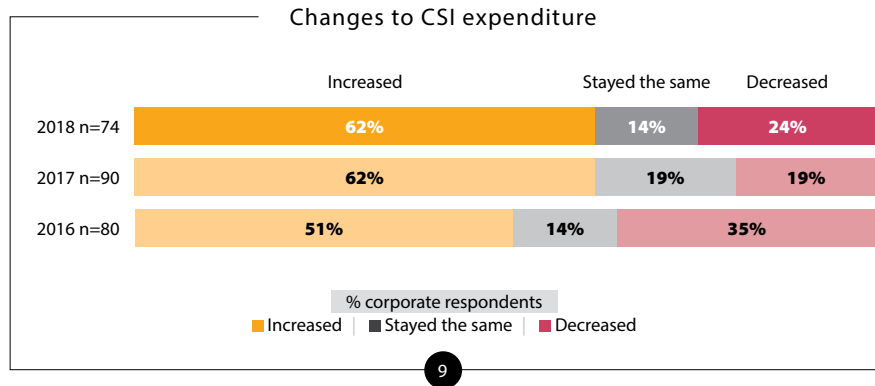
Information was collected from non-profit organisations (NPOs) between July and August 2018, using the online survey tool, SurveyMonkey.

- A total of 254 NPOs participated in the 2018 research. Of these, only a small portion (17%, or 44 organisations) also participated in 2017.
- Over half of NPOs (56%) were small organisations with an income of less than R2 million.
- The majority of NPOs (60%) employed more than 10 staff members.



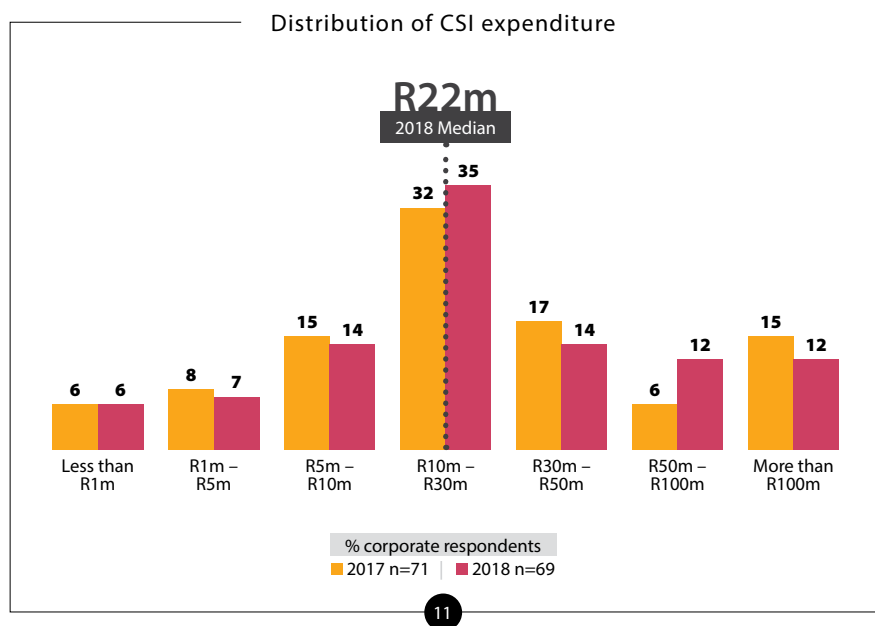
CSI expenditure in 2018

- Almost two-thirds of companies (62%) reported increased CSI expenditure in 2018. A quarter of companies (24%) reported decreased expenditure, up from 19% in 2017.
- The most common reason given for increased CSI expenditure was project requirements/recipients' needs (41%). Decreasing profits was the most cited reason for declining CSI budgets (65%).



Average CSI expenditure of corporate sample

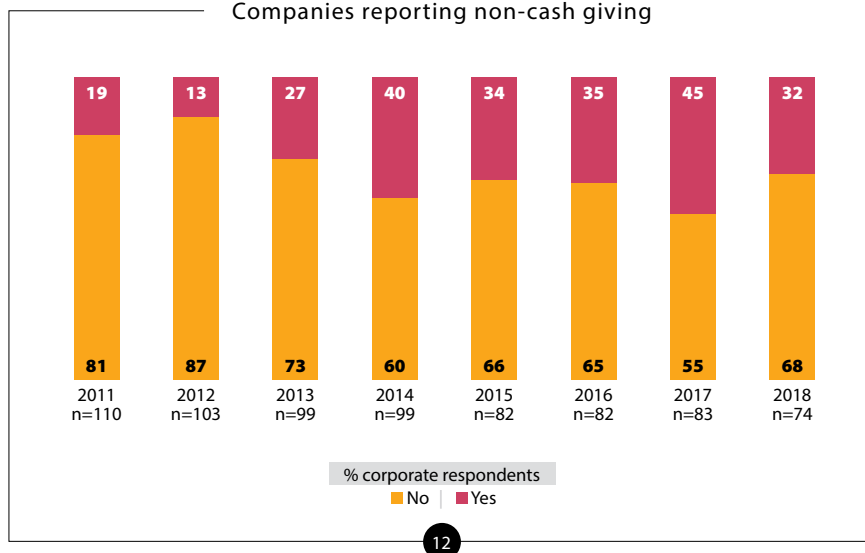
- Over two-thirds of sample companies (73%) spent more than R10 million on CSI in 2018, with eight companies (12%) spending more than R100 million.
- The 2018 median CSI spend stayed the same as 2017, at R22 million. Average CSI spend decreased from R64 million in 2017 to R46 million in 2018, largely due to three large mining houses not participating in the 2018 research.



Non-cash giving

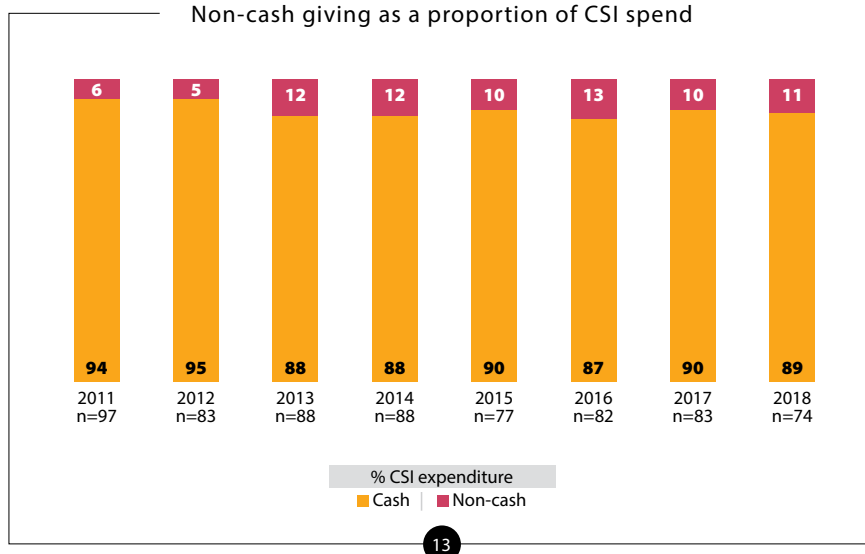
- The number of companies that reported non-cash giving in 2018 (24 companies) was significantly lower than in 2017 (37 companies).
- However, the value of non-cash giving as a proportion of total CSI spend increased slightly, from 10% in 2017, to 11% in 2018. For the 24 companies that reported non-cash giving, their proportion of total CSI spend was 29%.
- Product and service donations accounted for most non-cash giving. Twenty companies reported figures for these donations, equating to 10% of total giving. By comparison, nine companies quantified the value of employees' volunteering time, which accounted for 1% of total giving.

Companies reporting non-cash giving



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Non-cash giving as a proportion of CSI spend



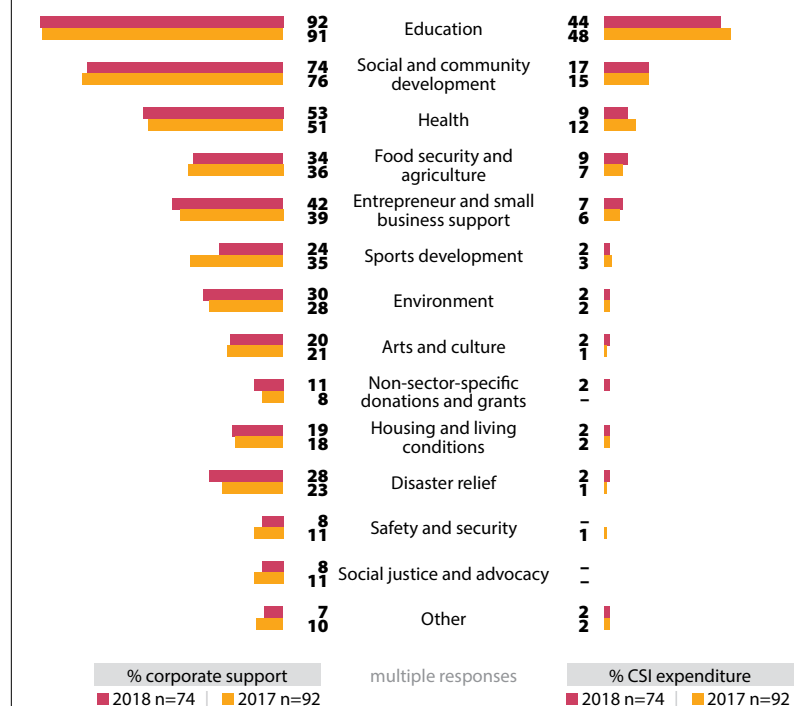
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Development sector funding

Corporate

- Companies supported projects in an average of 4.5 sectors, in line with 4.6 in 2017.
- Education was once again the most popular corporate cause, supported by 92% of companies, and accounting for almost half of CSI spend (44%) in 2018, down slightly from a high of 49% in 2014.
- Social and community development remained the second most supported sector and health the third, with 74% and 53% of corporates funding these sectors respectively.
- Support for entrepreneurship (42%) and disaster relief (28%) increased.

Distribution of CSI funding by development sector

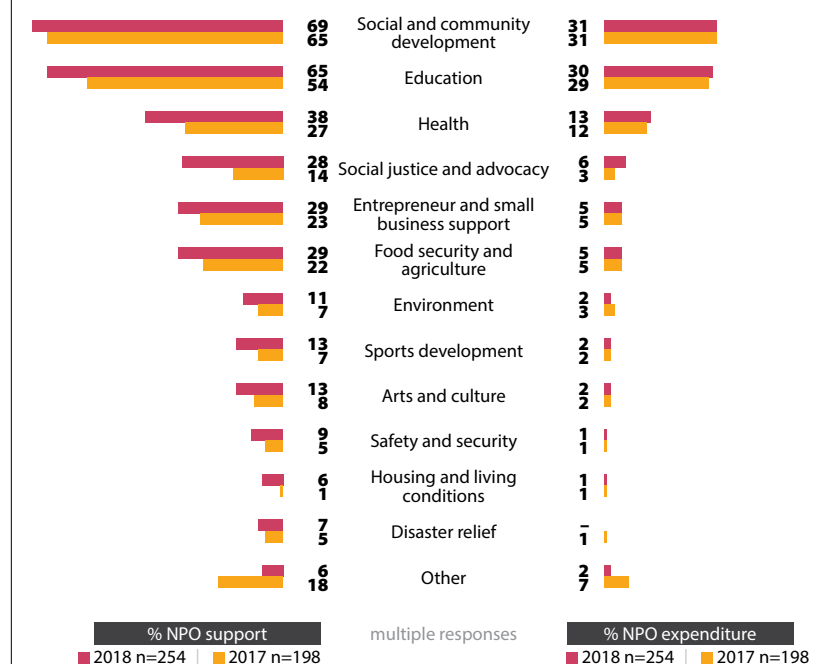


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NPO

- NPOs were involved in an average of 3.2 development sectors, up from 2.5 in 2017.
- Social and community development (69%) was supported by more NPOs than education (65%).

NPO involvement by development sector



15

A World of Difference

**R113.8
million**

R110 million spent on employee training across all levels.
R3.8 million bursaries granted.



**R230
million**

Spent in support of Small, Medium and Micro-Enterprises (SMMEs) since inception of Barloworld Siyakhula.



**R146
million***

Invested in apprenticeships, internships and learnerships. A total of 632 trainees per year.

**South Africa AIC only.*



Barloworld invests in responsible citizenship.

We strive to make a World of Difference to the communities in which we operate and reduce our impact on the environment through responsible, ethical and sustainable business practices.



**R18
million**

Invested in social development focused on education, youth development and empowerment, health and welfare.



**1 100
jobs**

Created across 98 companies through our focus on transforming our supply chain.



**2020
environmental
aspirations**

Priorities include improving non-renewable energy, GHG emissions and water efficiencies; as well as increasing renewable energy consumption and responsible waste disposal.

Figures as at end September 2017

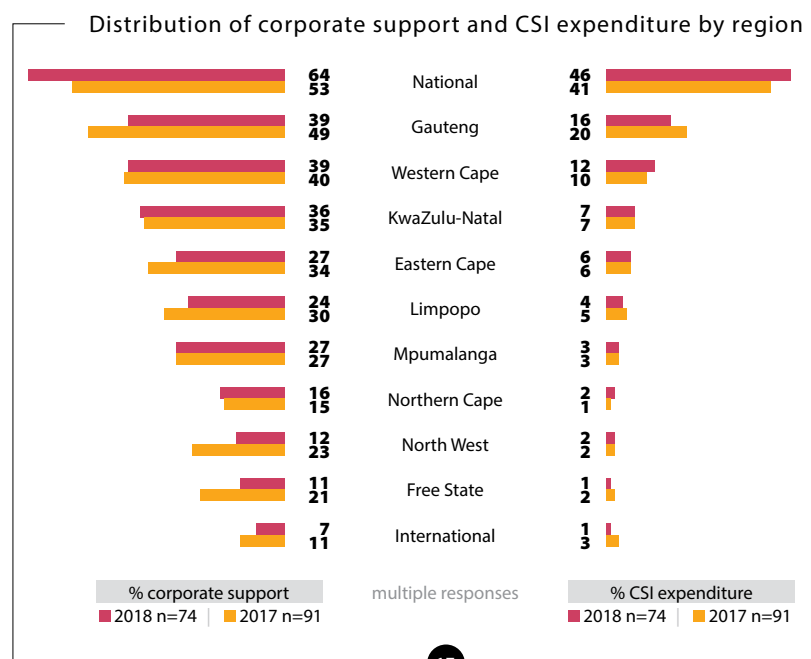
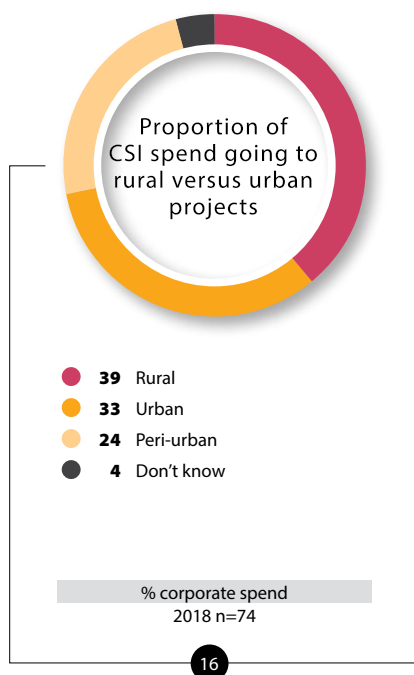


Barloworld
Leading brands

Geographic distribution of funding

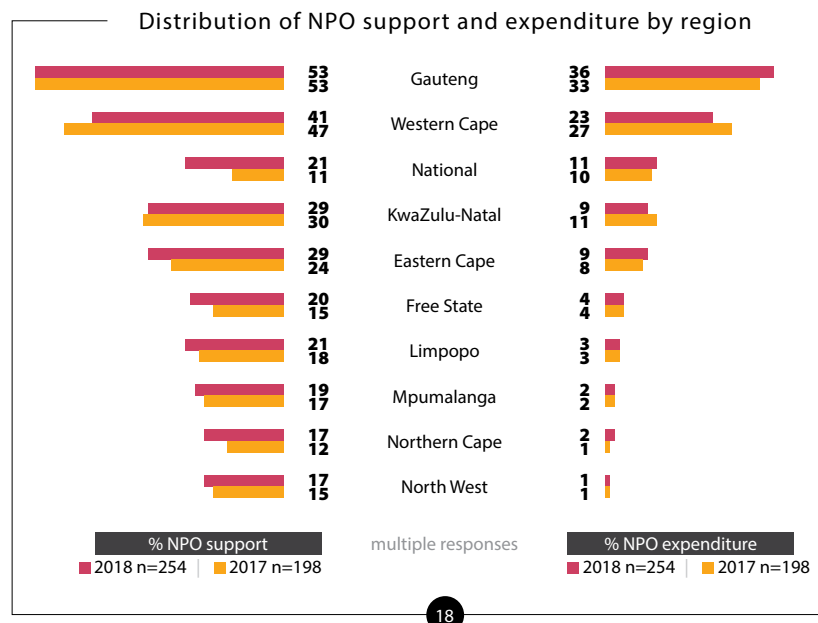
Corporate

- Companies have become more geographically focused, supporting projects in an average of 2.3 provinces in 2018, down from an average of 2.7 in 2017, excluding national projects.
- National projects (those operating in two or more provinces) continued to receive the largest portion of CSI expenditure (46%), followed by projects in Gauteng (16%) and the Western Cape (12%).
- Only 7% of the companies surveyed supported projects outside of South Africa, and these received less than 1% of total CSI expenditure.
- Projects in urban and peri-urban areas received a greater portion of CSI expenditure (57%) than those in rural areas (39%). The results were in line with those in 2013 when this question was last asked (59% urban and 41% rural).



NPO

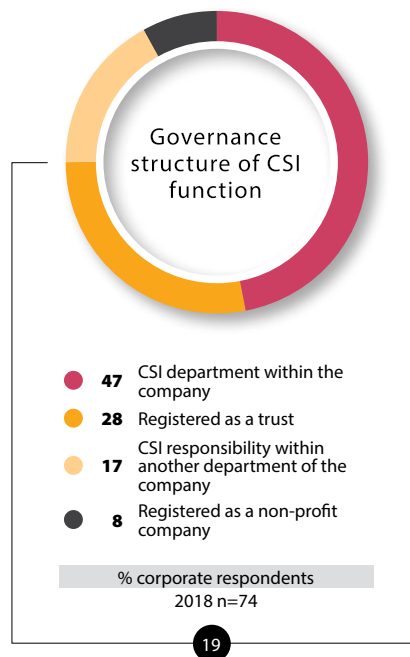
- NPOs operated projects in an average of 2.8 provinces. 21% of the sample operated projects nationally.
- The distribution of NPO resources was similar to that of companies, with South Africa's economic hubs (Gauteng, Western Cape and KwaZulu-Natal) receiving the greatest share of NPO resources.



Governance

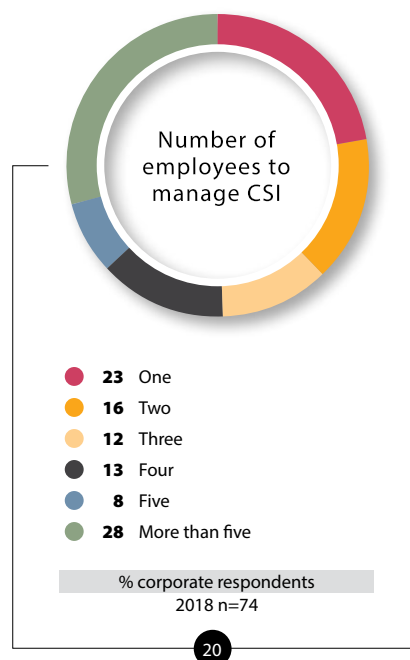
Corporate structure

- Forty-seven percent of companies managed CSI as a department within the company.
- Thirty-five percent of companies managed CSI through a separate legal entity (28% through trusts and 8% through non-profit companies). Sixty-one percent were described as 'pass-through trusts' (i.e. of the trusts, funds come in from the corporate and get disbursed in the same year).



Staffing of CSI function

- Just under a quarter of companies (23%) had one person and just over a quarter of companies (28%) had more than five people to manage and administer CSI.
- Companies with CSI spend of R10 million and below employed an average of two staff members for CSI, while those that spent more than R100 million employed an average of 14 staff.



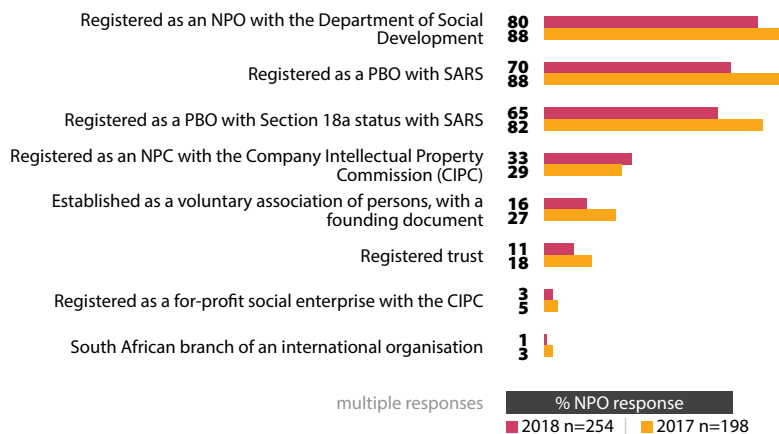
Governance (continued)

NPO structure

- The most common forms of registration were as an NPO with the Department of Social Development (80%) and as a public benefit organisation (PBO) with SARS (70%).

See 'Tax considerations when donating to non-profit organisations' on pages 228–230 for more information on these types of NPO registrations.

NPO registration status

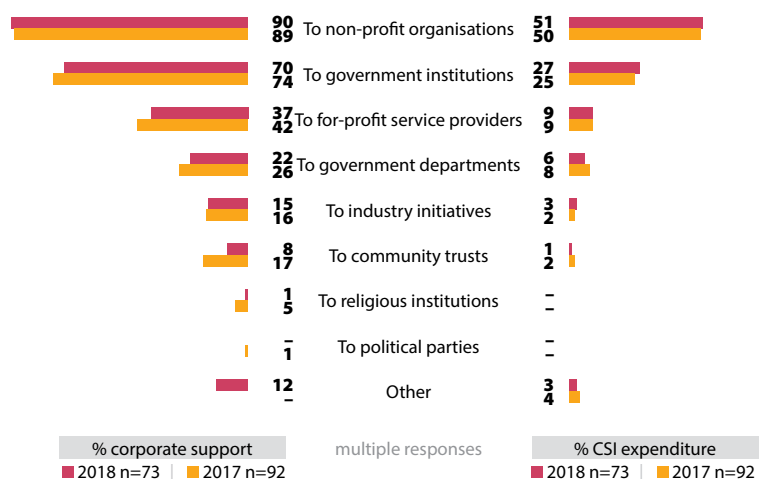


21

Funding channels

- NPOs remained the most popular channel through which companies directed their CSI expenditure, with 90% of corporates giving to NPOs in 2018.
- The proportion of CSI funding directed to NPOs was half of total spend (51%), down from a peak of 56% in 2014.
- Corporate expenditure on government institutions (including schools, universities, hospitals and clinics) increased to 27% in 2018.
- Funding of, and expenditure on, government departments decreased slightly to 22% and 6% respectively.

CSI funding channels



22

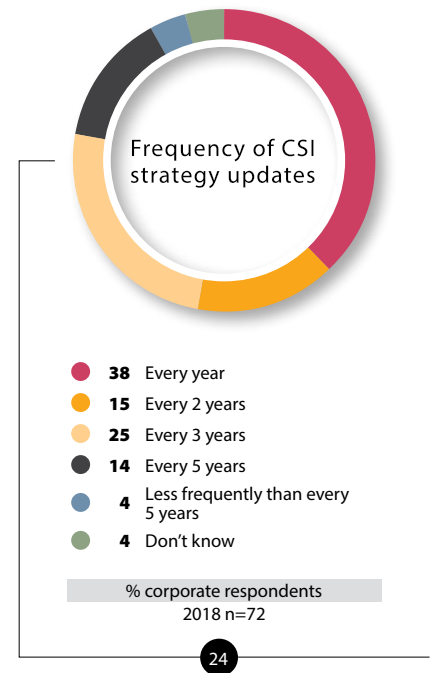
South African companies were the most common and largest source of NPO funding, received by 66% of NPOs, and constituting 24% of total NPO income.

See pages 224–226 for more information.

Strategy

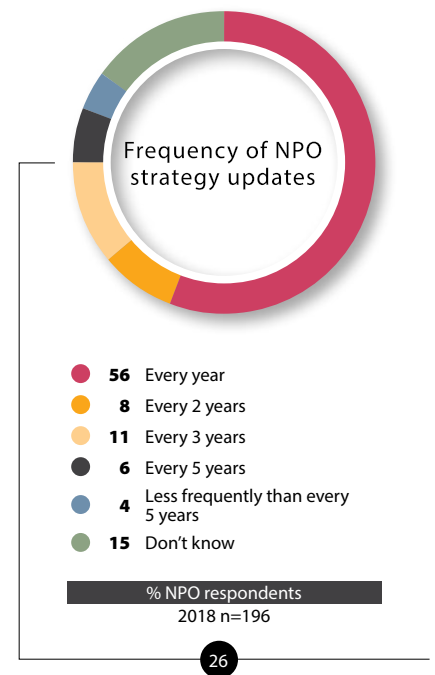
CSI strategy

- The vast majority of companies (96%) indicated that they had a CSI strategy in place. These strategies were most commonly updated every year (38%).
- Most companies (82%) claimed to factor shared value thinking into their CSI strategies (i.e. that the value of CSI is realised both by beneficiaries and the company).



NPO strategy

- The majority of NPOs (85%) indicated that they had a formal strategy in place.
- Over half (56%) of these strategies were updated annually.

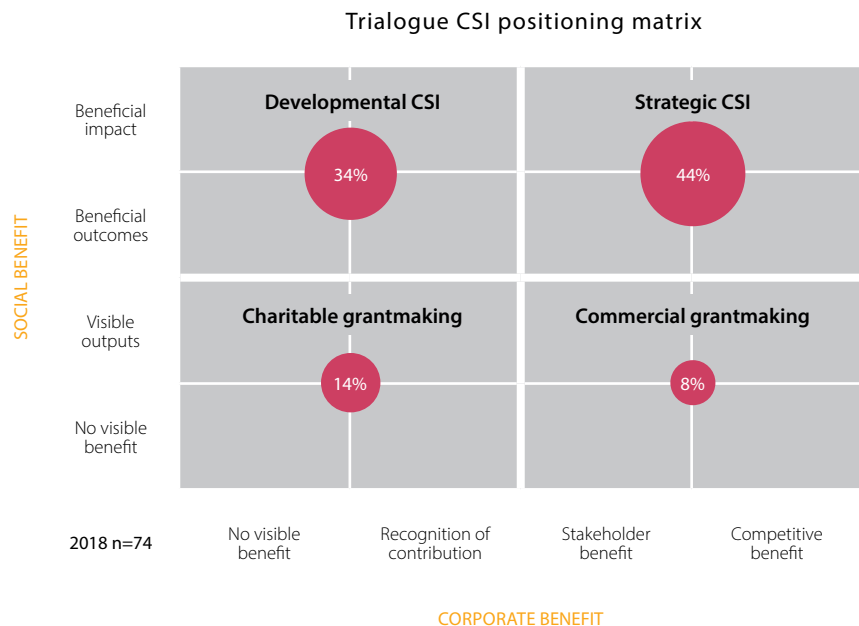


Strategy (continued)

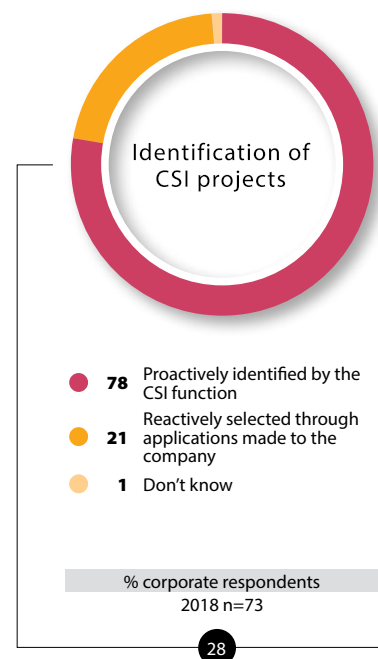
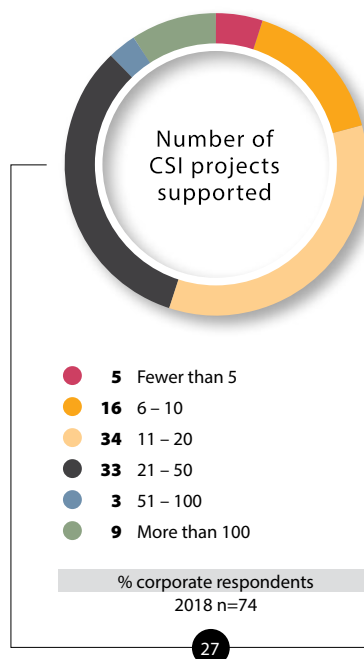
CSI positioning

- Companies estimated that almost half (44%) of their social investment was spent on strategic CSI: projects where there is evidence of developmental results (outcomes or impact) and the benefits for the business go beyond reputation, to significant improvements with business stakeholders or competitive advantage.
- Companies estimated that a further 34% of their expenditure was spent on developmental CSI: projects that generate significant social outcomes but are not clearly aligned to their business.

See pages 70–71 for more information.

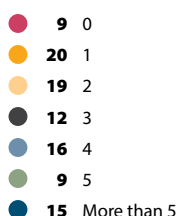
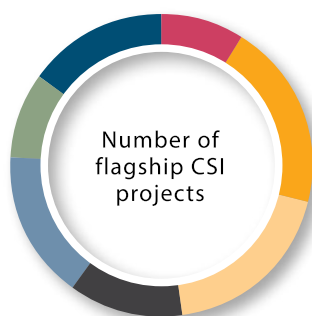


- More than half of companies (55%) supported fewer than 20 CSI projects in 2018. Nine companies (12%) supported more than 50 CSI projects. The number of projects that companies supported was directly linked to their CSI expenditure, with 63% of companies that spent over R50 million supporting more than 20 projects, and 63% of companies that spent R5 million or less supporting fewer than 20 projects.
- Most CSI projects were identified proactively by the CSI function (78%).



Flagship CSI projects

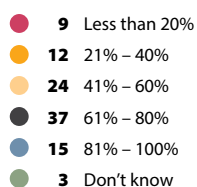
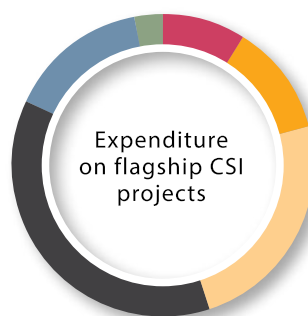
- Most companies (76%) had between one and five flagship projects. Fifteen percent of companies had more than five flagship projects.



% corporate respondents
2018 n=74

29

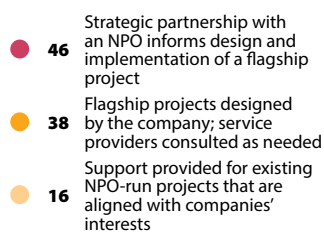
- More than half of the companies surveyed (52%) spent over 60% of their CSI budgets on their flagship CSI projects.



% corporate respondents
2018 n=65

30

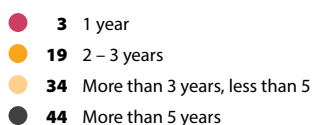
- Most companies (62%) partnered with NPOs to implement their flagship projects. The remaining 38% designed and implemented flagship projects themselves.



% corporate respondents
2018 n=68

31

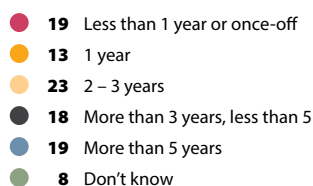
- Over three-quarters of companies (78%) supported their flagship projects for more than three years, with 44% supporting them for more than five years.



% corporate respondents
2018 n=68

32

- Over half of NPOs (55%) claimed that funders supported their projects for three years or less, while 19% received funding for more than five years.



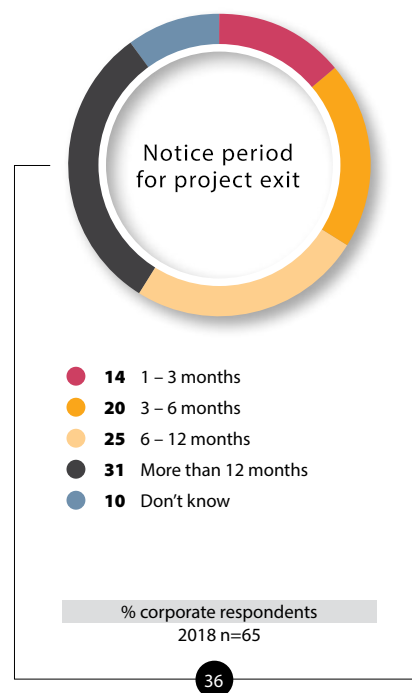
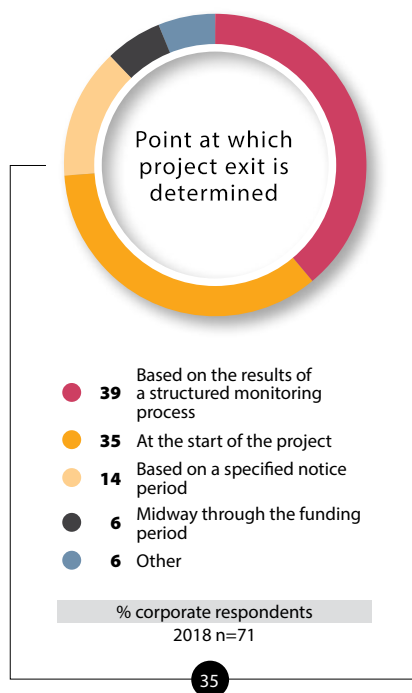
% NPO respondents
2018 n=196

33

Strategy (continued)

Exit strategies

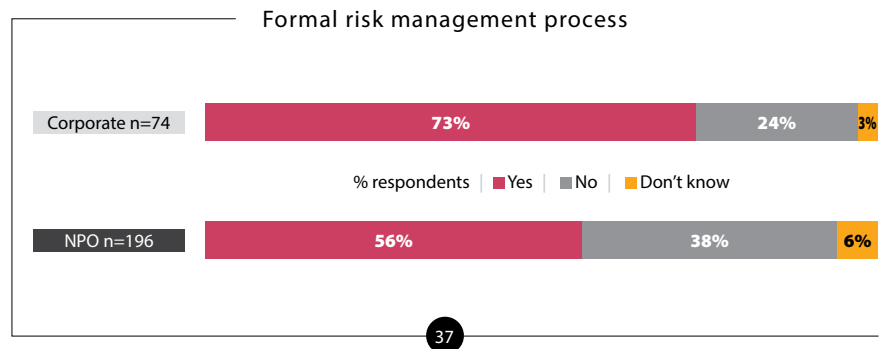
- Forty-four percent of companies reported having exit strategies for all their CSI projects. However, 28% did not have exit strategies for any of their CSI projects.
- Over a third of companies determined the project exit point based on the results of a structured monitoring process (39%), or at the start of the project (35%).
- More than half of companies (59%) provided 12 months' notice, or less, when exiting projects.



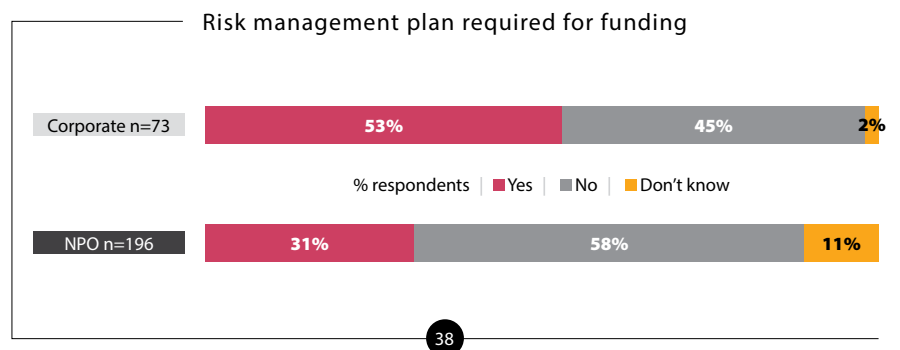
See 'CSI that leaves a lasting legacy' on pages 218–220.

Risk management

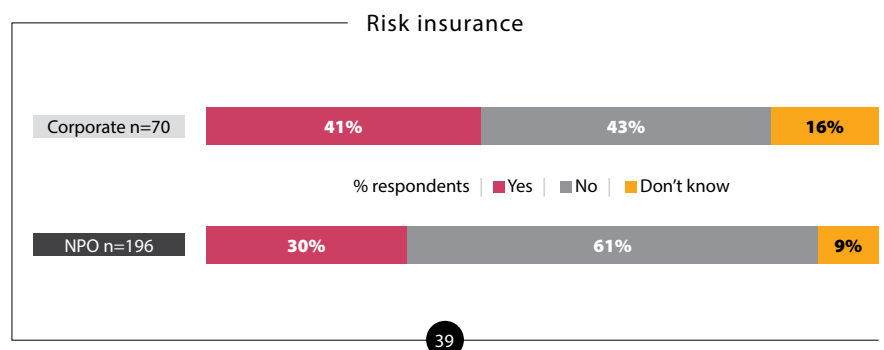
- The majority of corporates (73%) and NPOs (56%) claimed to have formal processes in place to manage the risks associated with their social programmes.
- Half of companies (51%) reported formal tracking and risk management for all CSI projects, while 28% only formally tracked risk for flagship projects.
- Over half of companies (58%) indicated that the risks associated with their CSI programmes were incorporated into the company risk register and managed by the company risk function.



- More than half of companies (53%), but less than a third of NPOs (31%), indicated that a risk management plan had been a conditional requirement for funding.



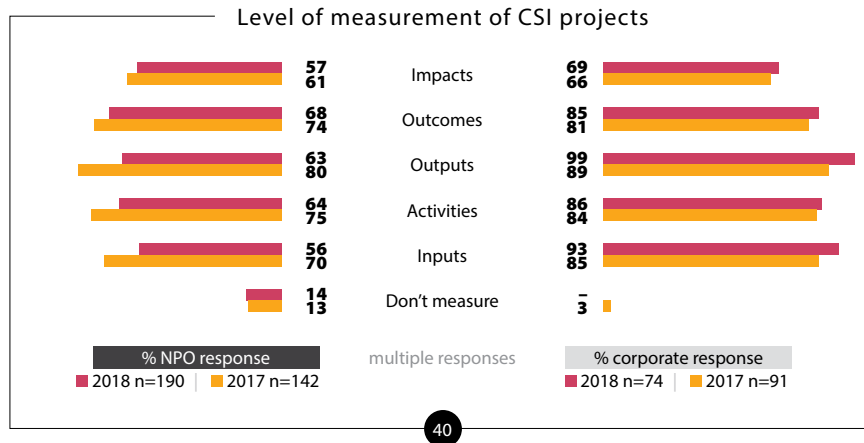
- Over 40% of companies, and 30% of NPOs had insurance to cover the risks associated with their projects.



See 'Risk management in development' on pages 212–214.

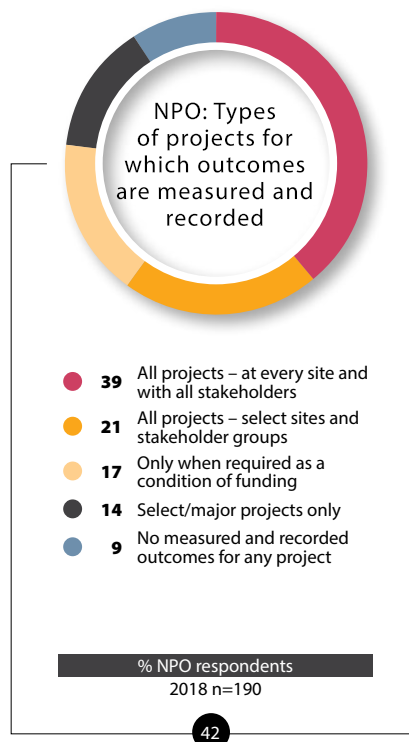
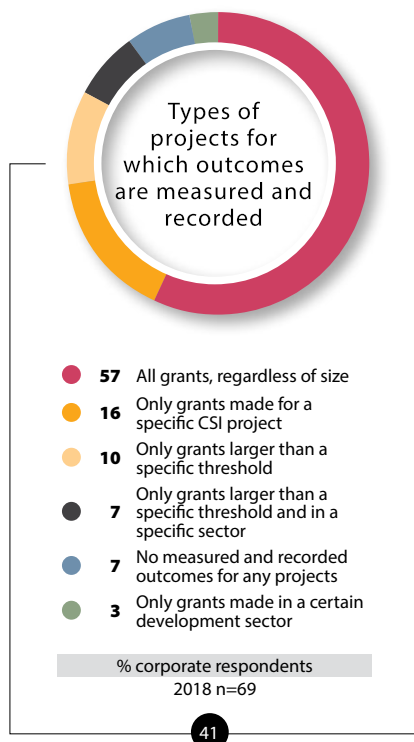
Monitoring and evaluation

- Almost all companies (99%) reported measuring the outputs of one or more of their CSI projects, and over two-thirds (69%) claimed to measure impact (the broader long-term consequences of the project) of at least one project.
- NPO rates were lower, with 63% measuring outputs and 57% measuring impacts for one or more of their projects.

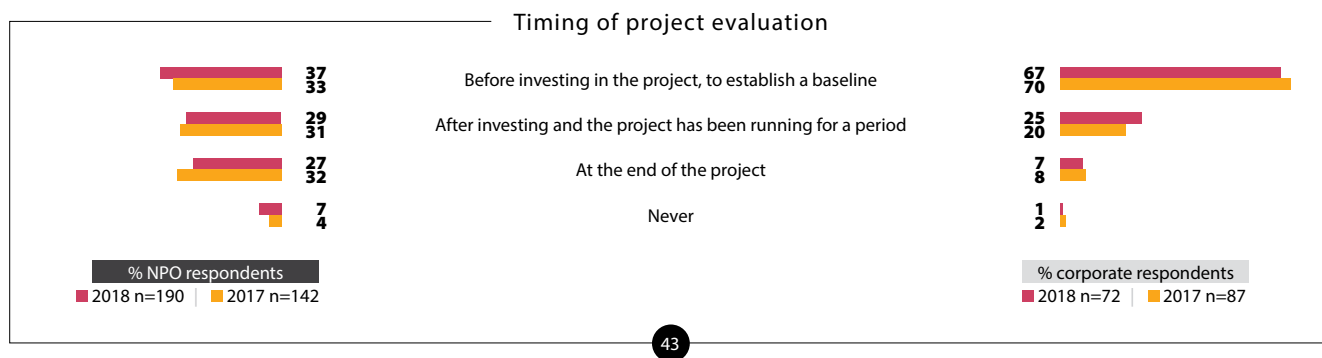


- Over half of companies (57%) reported measuring project outcomes for all grants, regardless of size.
- The majority of NPOs (60%) measured and recorded outcomes across all projects. Over a third of these measured outcomes at every site and for all stakeholders.

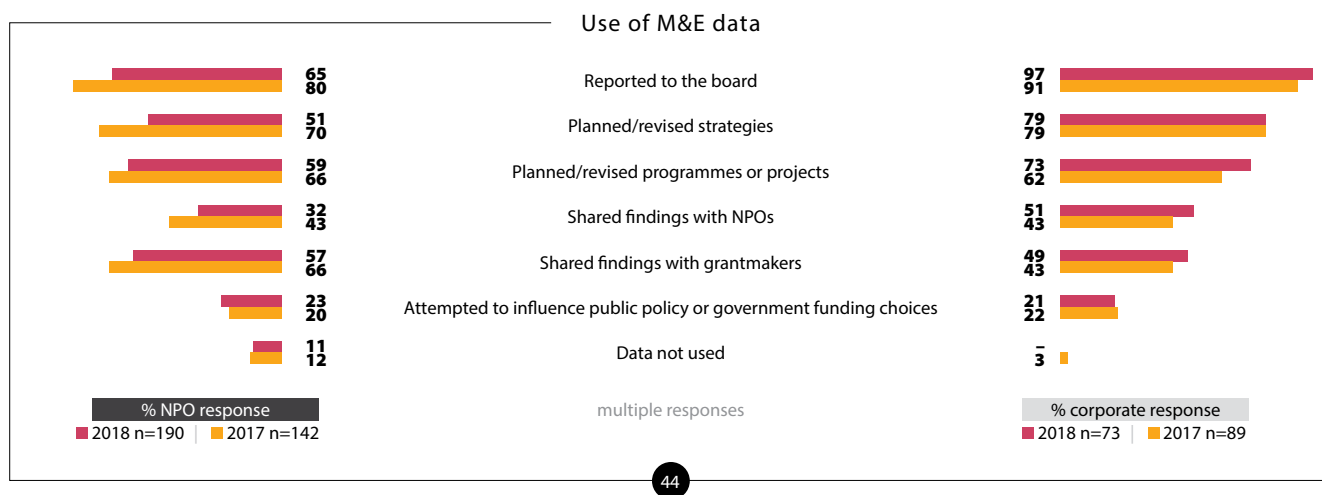
75% of NPOs had someone responsible for managing monitoring and evaluation (M&E) and 36% had a budget for M&E.



- Sixty-seven percent of companies and 37% of NPOs reported conducting project evaluations prior to investing, in order to establish a baseline.

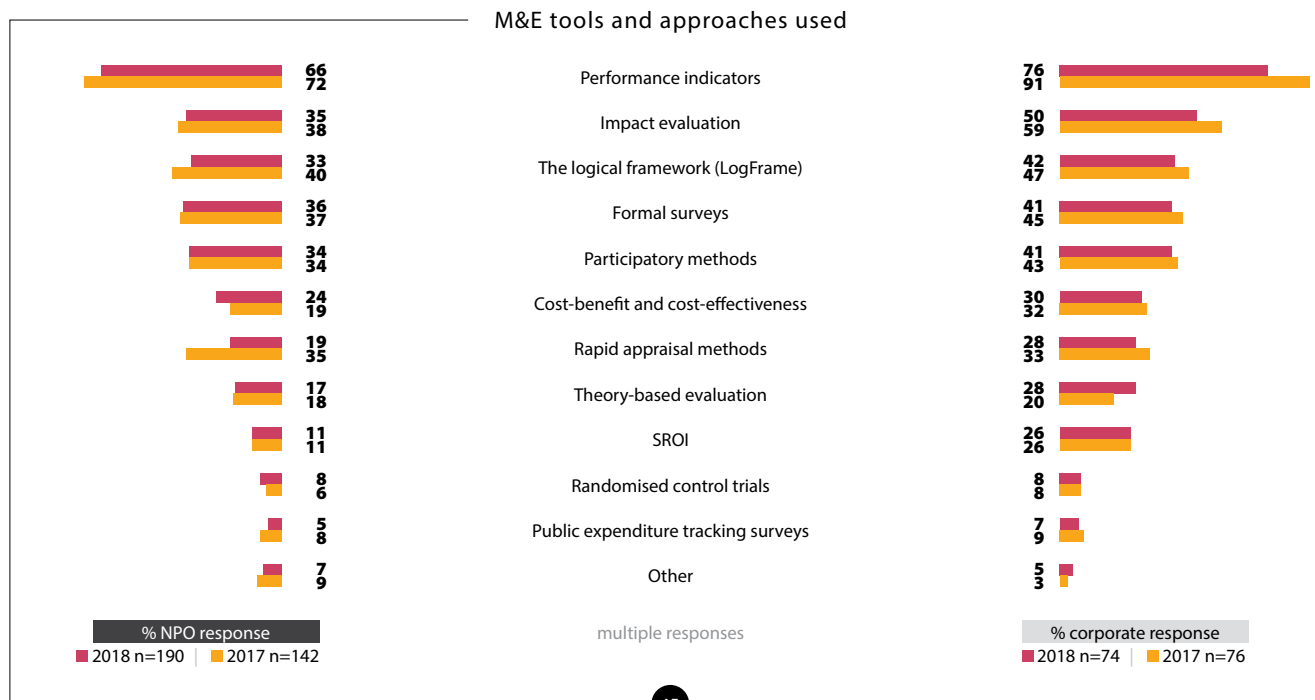


- Most commonly, companies and NPOs used the data gathered from M&E to report project findings to the board (97% and 65% respectively). Only a fifth of companies and NPOs used M&E findings to influence public policy.



Monitoring and evaluation (continued)

- Performance indicators were the most popular M&E approach used by companies (76%) and NPOs (66%).
- A quarter of companies and 11% of NPOs claimed to use social return on investment (SROI).
- Only 8% of companies and NPOs used randomised control trials.



Committed to developing young design talent for the local fashion industry

Edcon, launched its Design Innovation Challenge in 2016 with the purpose of providing final year and post-graduate fashion design students with the opportunity to further develop their fashion, design and entrepreneurial skills through various learning platforms created by Edcon. Opportunities include the 21 Steps to Retail programme, a three months integrated learning intervention that provides technical skills and a retail business knowledge base for the participants.

The 21 steps to Retail curriculum includes:



Technical Skills Training
(Inspiration, trends, textiles, mood-boards, pattern making)



Business Skills Training (Brand management, costings)



Personal Development



Mentorship
(Design and creation of an 8-piece collection)

This initiative, forms an integral part of Edcon's transformation strategy, which includes the development of local talent by extending the number of local designers and manufacturers from which Edcon can procure merchandise for its stores. Mercia Maserumule, Edcon CSI & Sustainability Executive, explains how the selection of the young designers for inclusion in Edgars stores is a validation of the goals of the programme: "The results achieved thus far resonate with what we aimed to achieve, which was to adopt a diversified approach integrating CSI, skills and entrepreneurial development in order to drive local talent development and support the business supply chain. The result has been the creation of a pool of talented young designers who are equipped to succeed on their own terms."

This initiative is endorsed by Proudly South African as it helps build futures and create employment for young fashion industry professionals whilst creating a pool of talented young designers across the South African fashion industry.

The Edcon Design Innovation Challenge is a unique initiative that has provided multiple opportunities and exposure to:

27 young design students
in the programme



21 Steps to Retail programme

Created an 8 piece collection showcased at the EDCON ProudlySA Heritage fashion Show



12 Month Internship
Jet and Edgars



Six of the interns from the 2017 intake
have been permanently employed by Edgars and Jet

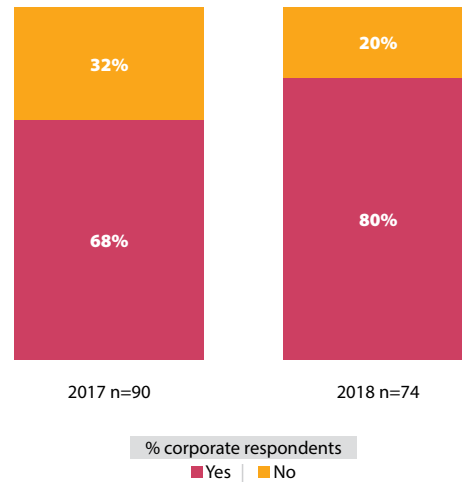


Employee volunteerism

- The majority of companies (80%) had formal employee volunteer programmes (EVP) in 2018. Over 60% had volunteering policies and 46% had designated full or part-time staff to manage volunteering.
- Twenty-nine percent of companies claimed to quantify and include employee volunteering time as part of their total CSI spend, down from 38% in 2017. However, only nine companies (12%) actually provided the data when disclosing total CSI spend.

A surprisingly high 71% of NPOs had someone responsible for managing volunteers.

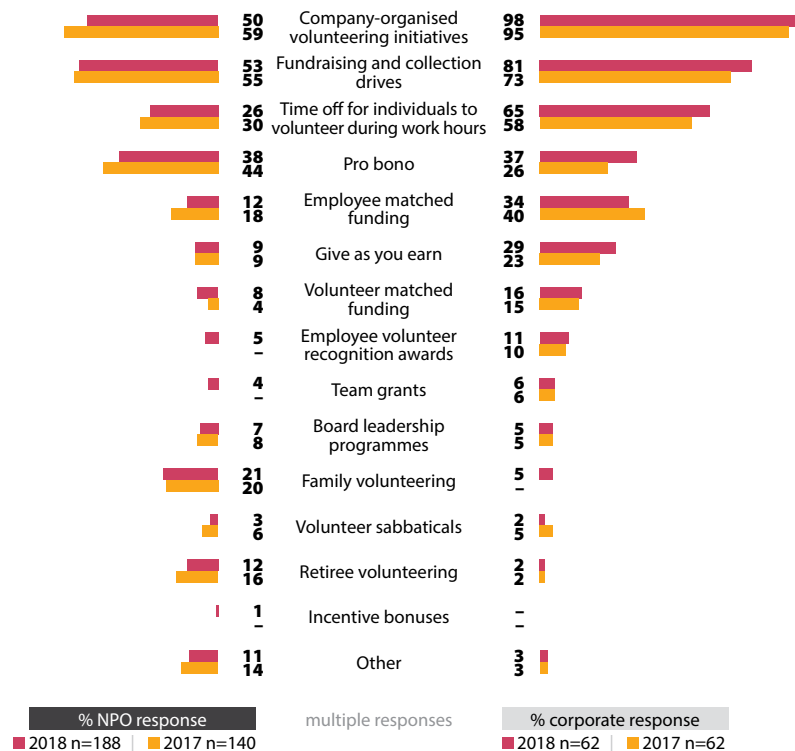
Companies with formal EVPs



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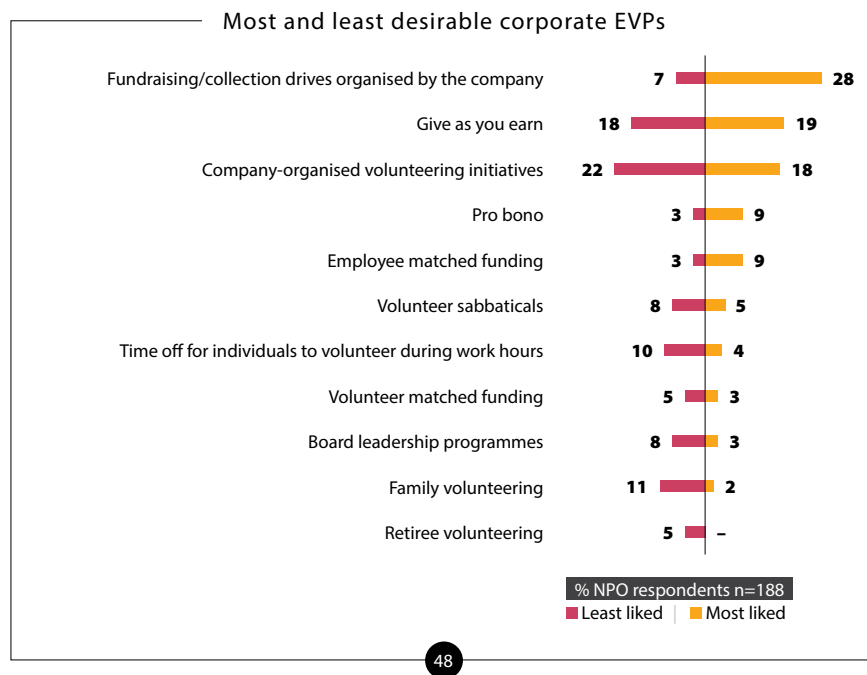
- The majority of companies (98%) ran company-organised volunteering initiatives in 2018. Despite this type of initiative being the least popular among NPOs, it was the second most common form of volunteerism support received by NPOs (50%), after fundraising and collection drives (53%).
- Companies most commonly (39%) held four or more company-organised volunteering initiatives per year, while 21% limited these initiatives to Mandela Day only.

EVPs received by NPOs/offered by companies

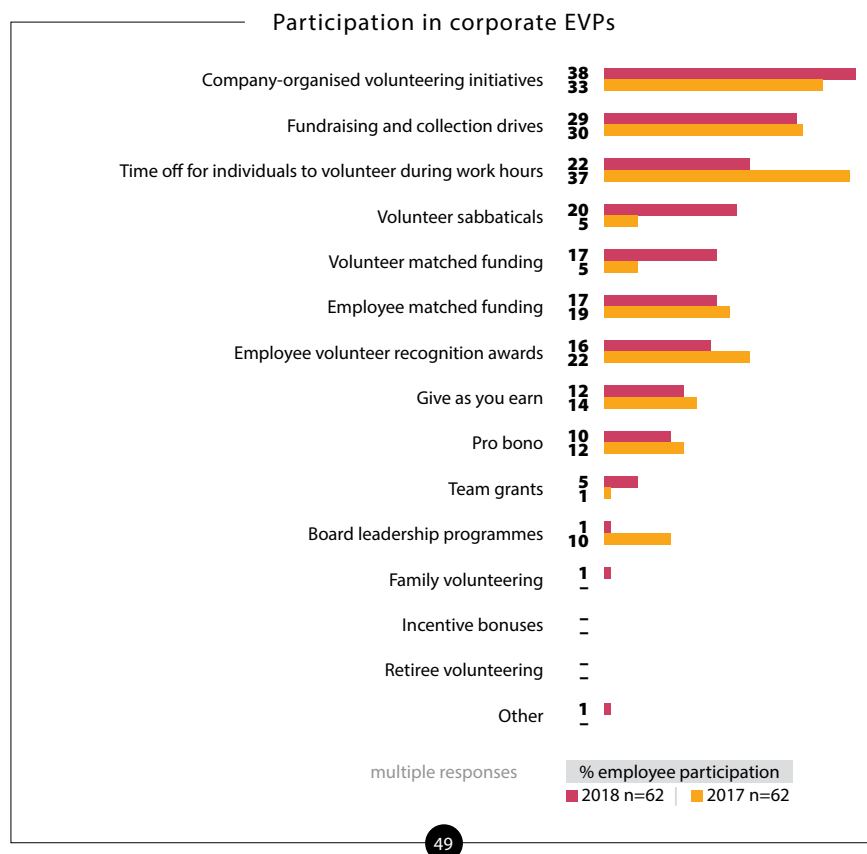


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- NPOs most liked fundraising and collection drives, which were offered by 81% of companies. They least liked company-organised volunteering initiatives, which were offered by 98% of companies.

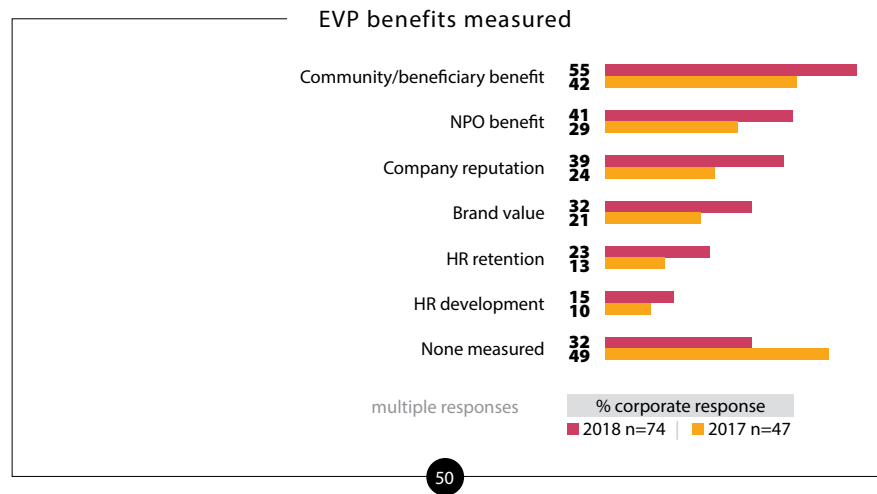


- Company-organised volunteering initiatives had the highest employee participation rate, at an average of 38% of staff, followed by fundraising drives (29%) and time off for volunteering (22%).

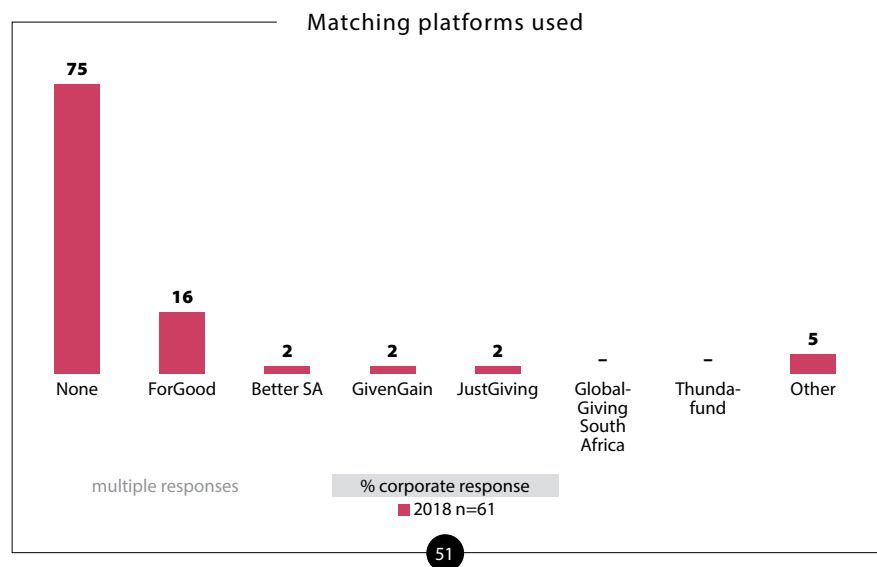


Employee volunteerism(continued)

- Community/beneficiary benefit was the most commonly measured EVP benefits (55%). This was followed by the measurement of benefits to NPOs (41%) and the impact on company reputation (39%).

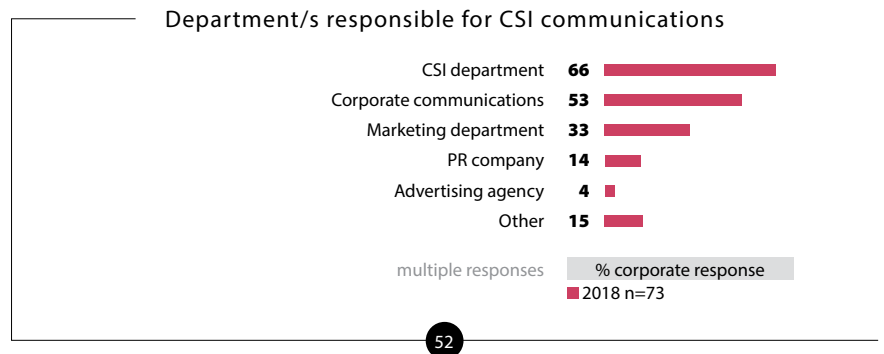


- The majority of companies did not use online platforms for volunteering (75%). ForGood was the most popular matching platform, used by 10 companies.

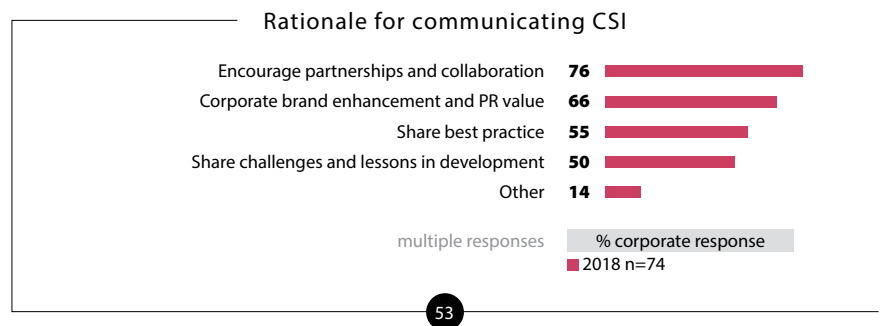


Communication

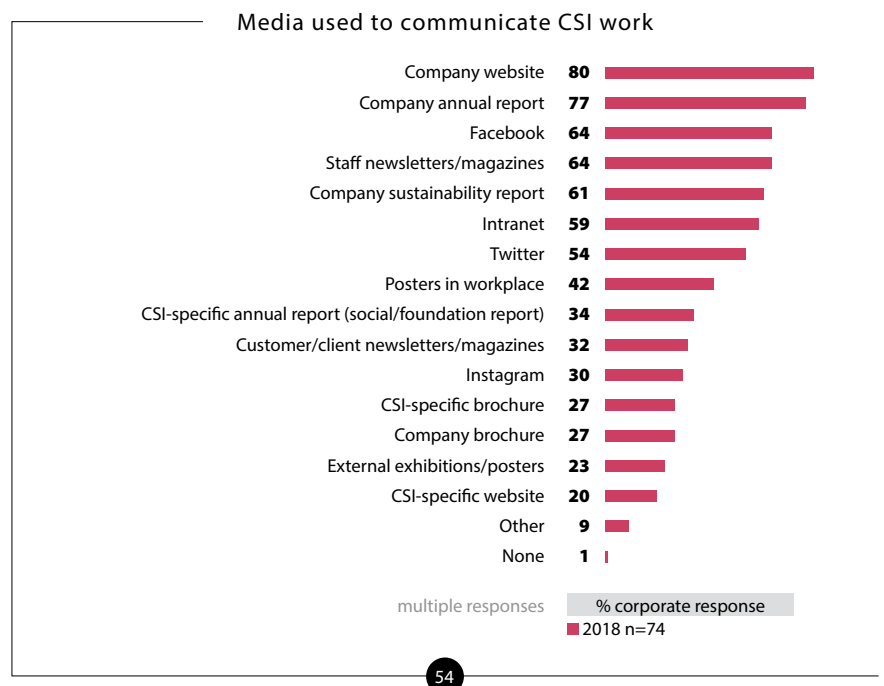
- The communication of CSI was most commonly managed by the CSI department (66%), corporate communications (53%) and marketing (33%).



- Encouragement of partnerships and collaboration was the most popular rationale for communicating CSI (76%). This was followed by corporate brand enhancement (66%) and to share best practice (55%).



- The most popular channels used to communicate CSI work were company websites (80%), company annual reports (77%) and Facebook and staff newsletters/magazines (both at 64%).
- Facebook and Twitter usage both increased marginally from 2017.



86% of NPOs had someone responsible for managing their communications and 40% had a communications budget.

The most commonly used social media platforms by NPOs were Facebook (94%), Twitter (56%) and YouTube (38%). Attraction of potential donors (76%) and the facilitation of easy sharing of information (73%) were the main reasons that NPOs profiled their work on social media.

Community engagement

Reasons for community engagement

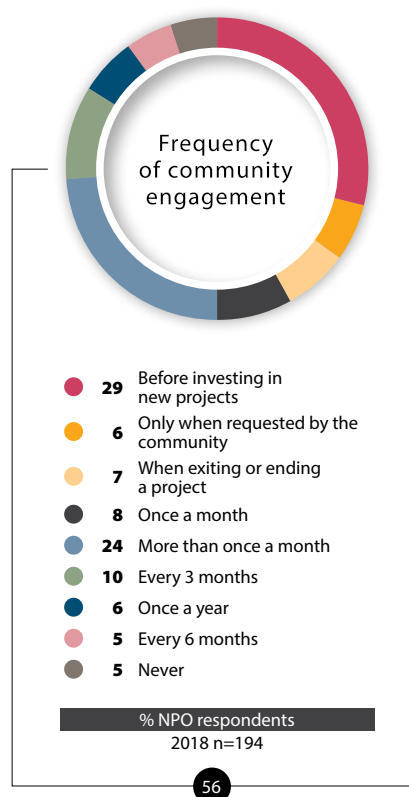
- The most common reasons that companies and NPOs engaged with communities were to establish community needs (61% of companies, 73% of NPOs) and to establish trust between project stakeholders (50% of companies, 55% of NPOs).



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Frequency of community engagement

- NPOs most commonly (29%) engaged communities before commencing any new projects, followed by more than once a month (24%) and every three months (10%).

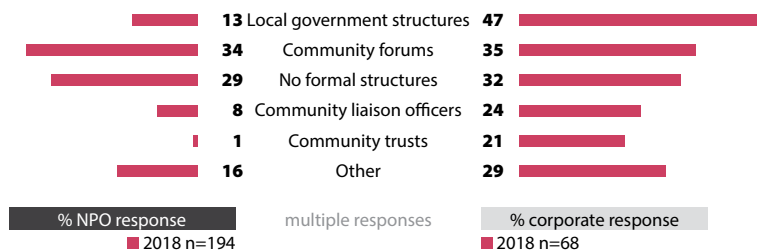


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Community engagement structures

- Almost half of companies (47%) used local government structures for community engagement and 35% used community forums. Twenty-nine percent used 'other' structures, including traditional leaders and partner NPOs.
- Community forums were the most common form of community engagement used by NPOs (34%).

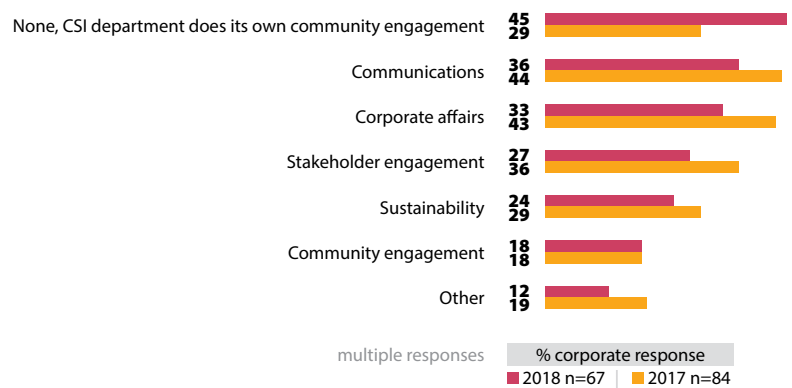
External structures used for community engagement



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- Company CSI departments most commonly did their own community engagement (45%). However, companies also worked with a range of other internal departments; most commonly communications (36%) and corporate affairs (33%).

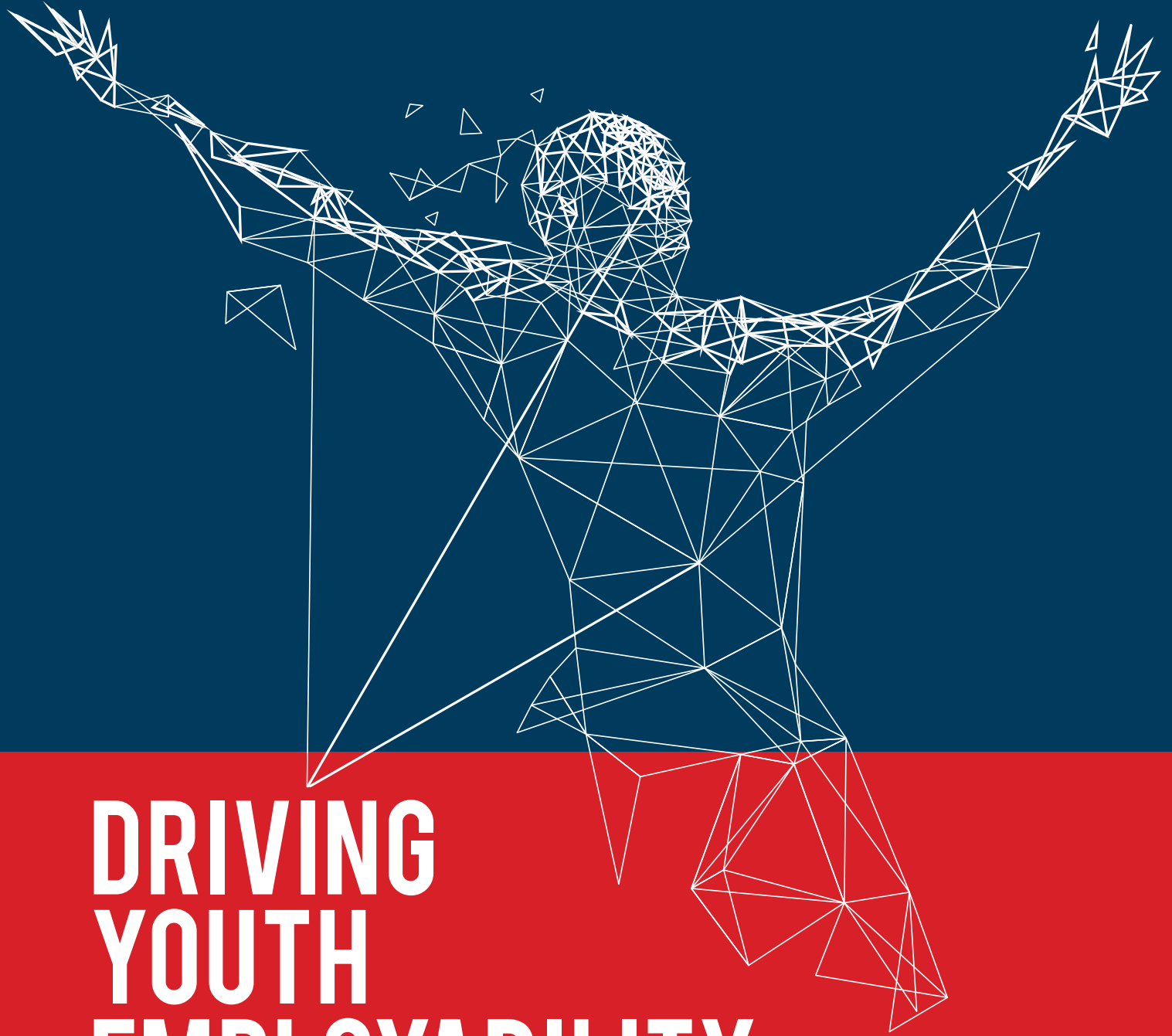
Internal departments worked with for community engagement



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MMI FOUNDATION



DRIVING YOUTH EMPLOYABILITY

Bringing our purpose to life - enabling people from all walks of life to achieve their financial goals and life aspirations.



momentum

multiply



GUARDRISK

ERIS

Resetting your CSI strategy can be daunting, but with the right approach it is a rewarding experience. This year MMI Holdings, through the MMI Foundation, took the decision to focus on driving youth employability by being a partner in the entire employability journey – from training, through recruitment, to being placed in the workplace. The programmes are implemented through the Momentum and Metropolitan brands, and overseen by the MMI Foundation.

Authors of the Journey to Employment (JET) Framework (2014), John Copps and Dawn Plimmer, note that: “To be prepared for work, young people need to develop a range of personal assets and skills, and gain experience. They may also need to address issues relating to their personal and family circumstances.”

When we decided to refocus our CSI efforts, we knew there would be challenges. These included choosing the right cause, and adopting an approach that we believed would be most effective. Here, our own research confirmed the end-to-end approach the JET Framework advocates for. The second was developing an efficient and empathetic exit strategy. This, is how we managed our CSI reset.

A new vision and approach:

The need for developing the youth in this country is deep and wide-ranging. The StatsSA Labour Market Report for Q1:2018

confirmed the unemployment rate at 27%, with 3,3M out of the 37,7M Not Economically Active people, identified as NEETS between 18 and 24 years. That is, young people Not in Employment, Education and Training.

We looked at three implementation approaches namely; prioritising the entry of skills into financial services that will also enable industry transformation, focussing on one or two aspects of the employment journey and finally, focussing on unearthing the job creators. In the end we adopted a hybrid approach, using the best aspects of each of the methods. Now, we are able to be there for young people on their journey to employment and, where the drive and demand exists in communities, we support them to becoming business owners.

An efficient and empathetic exit strategy:

Our shift in emphasis to youth employability meant that we would have to end some longstanding relationships. We managed this sensitive situation by implementing an exit strategy centered on two principles.

The first was providing extended exit periods over two to four fiscal periods and having continuous, honest conversations with organisations to keep them informed of our plans. The second important part was to be upfront about why the shift was important. In the end, we were humbled by the understanding of how critical our new investment was.

OUR PROGRAMMES AND PARTNERS



Jobs 'n Jozi - Rhiza Babuyile

Tembisa, Orange Farm, Diepsloot and Chris Hani (Gauteng) and Fisantekraal (Western Cape)
www.r-b.org.za

Rhiza Babuyile has a holistic approach which flows from the understanding that young people often face many barriers to job entry like the lack of child and household support and health risks. That is why, within each community, they operate a mobile clinic, skills academy, business hub and several preschools, or support and strengthen existing pre-schools. They also facilitate placement into learnerships, often utilising the network of small businesses developed through Rhiza Babuyile Business Hub.

Youth we aim to support through partnership: 400



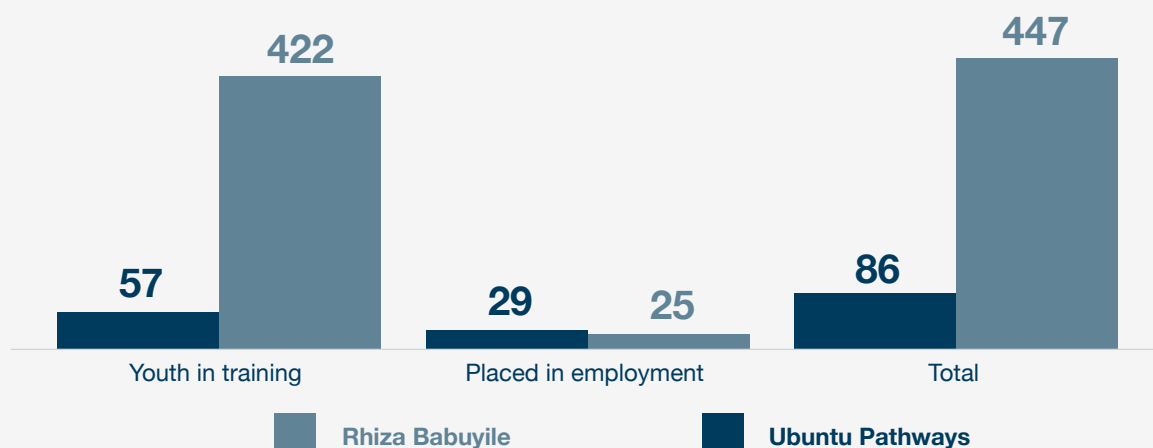
Ubuntu Pathways Vocational Training Programme

Zwide Township, Port Elizabeth (Eastern Cape)
www.ubuntupathways.org

Similarly to Rhiza Babuyile, Ubuntu follows an integrated service model. This includes support for household security upgrades, HIV/AIDS and TB treatment, sexual and reproductive health counselling and placement of Ubuntu-programme graduates with one of the partners in its network of business partners. Specialists continue to provide psycho-emotional and career management the first year of employment.

Youth we aim to support through partnership: 300

HIGHLIGHTS: MAY TO SEPTEMBER 2018



Corporate and NPO reputations

As part of its annual research, Trialogue asks corporate and non-profit organisation (NPO) respondents to list three companies and three NPOs that they perceive to be having the greatest developmental impact. Rather than a gauge of actual impact, these rankings – based on the number of respondent mentions – tend to favour companies and NPOs that are better known, either because of their good communication or wide reach.

Corporate developmental impact

Top 10 corporates as ranked by companies

Ranking (n=74)	Company
1=	Vodacom Woolworths
3=	Nedbank Old Mutual
5=	Anglo American Sasol Unilever
8	Discovery
9	FirstRand
10	Investec

Top 10 corporates as ranked by NPOs

Ranking (n=184)	Company
1	Nedbank
2	Woolworths
3	Vodacom
4	Anglo American
5	Discovery
6=	Old Mutual Tiger Brands
8=	FNB Sasol Transnet

- **Vodacom** and **Woolworths** shared the number one ranking by companies, with 14 mentions each.
 - **Vodacom** was also ranked first by companies in 2017 and has been ranked in the top five since 2012. The company held onto third position as ranked by NPOs, with 23 mentions.
 - **Woolworths'** corporate ranking has climbed steadily, from ninth in 2015, to third in 2016 and 2017, and first in 2018. The company's NPO ranking has also improved, from fifth in 2017 to second in 2018.
- **Nedbank** retained its top five ranking, sharing third position with **Old Mutual**, with 12 mentions each.
 - **Nedbank** was ranked the top company by NPOs for the third consecutive year.
 - **Old Mutual** climbed the corporate ranking from sixth position in 2017 to third in 2018, and dropped from second among NPOs in 2017, to sixth in 2018.
- **Anglo American** shared fifth position with **Sasol** and **Unilever**, with nine mentions each.
 - **Anglo American** has been ranked in the top five since 1999. It held onto the fourth ranking by NPOs, with 19 mentions.

= denotes equal ranking

NPO developmental impact

Top 10 NPOs as ranked by companies	
Ranking (n=74)	Company
1	Afrika Tikkun
2	Gift of the Givers
3	Nelson Mandela Foundation
4=	Community Chest Harambee SECTION27
7=	Food & Trees for Africa FoodForward SA Rise Against Hunger Zenex Foundation

Afrika Tikkun (with 12 mentions in 2018) and **Gift of the Givers** (with 8 mentions in 2018) have alternated first and second positions in corporate rankings since 2015, when the NPO rankings were first introduced.

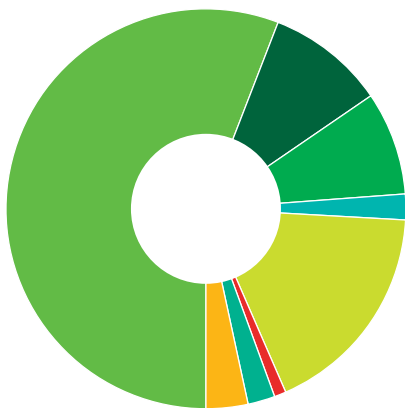
Top 10 NPOs as ranked by NPOs	
Ranking (n=74)	Company
1	CHOC
2	Gift of the Givers
3	SPCA
4=	Afrika Tikkun Save the Children
6	CANSA
7=	Child Welfare Cotlands IkamvaYouth Community Chest

CHOC retained first position as ranked by NPOs, with 14 mentions. In 2017 it shared the spot with Gift of the Givers – now placed second – and SPCA – now placed third. ■

= denotes equal ranking

Nedbank delivers on its purpose to do good through a strategic corporate social investment approach with clearly defined outcomes.

Building a thriving society



CORPORATE SOCIAL INVESTMENT FOCUS AREAS

- Education R94,1m
- Skills development R16,1m
- Community development R14,1m
(including R8,4m from Children's Affinity)
- Health R3,5m
- Environment R29,6m
- Arts R1,6m
- Sports R3,7m
- Staff volunteerism R5,7m

Nedbank recognises that it has a responsibility to its clients to be good at managing money. However, we also embrace our responsibility to apply our expertise to help build a thriving society. This belief is embodied in our brand promise to help people 'see money differently' and we deliver on this promise through our stated purpose, which is to use our financial expertise to do good for individuals, families, businesses and society.

We consider such investment in societal wellbeing as a moral as well as a business imperative informing all our business strategies and banking operations. This overarching business commitment is augmented by a corporate social investment (CSI) programme that extends far beyond merely giving money to deserving causes – it is designed rather to deliver a real and lasting impact through targeted investment in clearly defined focus areas, the four most significant of which are education, skills development, health and community development.

In 2017 the total value of CSI delivered across our group was R168,4 million, split across these four social investment focus areas, but also including ongoing investment in staff volunteerism, environmental development and the highly effective giving partnerships we have with our clients through our four Nedbank affinities.

see money differently



While our efforts to do good cut across our entire organisation and are integral to our business strategy, the Nedbank Foundation is our primary CSI arm and a key facilitator of our purpose. To maximise the impact of the funding it provides, the foundation focuses primarily on the two key pillars of skills development and education.

This highly focused approach is designed to maximise the impact of the foundation's social investments by achieving a number of key outcomes, the most significant of which are effectively growing social capital and facilitating community ownership and sustainable asset-building. To this end a large proportion of the foundation's budget is invested in flagship projects that are primarily research- and development-oriented, are aligned to Nedbank's core business activities and have the potential for upscaling that delivers maximum positive social impact.

The following are examples of these strategic projects that are currently receiving Nedbank Foundation support.

- **Coding and robotics programme of ORT SA Trust** – providing 21st century skills training to teachers and learners from historically disenfranchised backgrounds. The course opens up a world of possibilities through the transfer of relevant and sought-after future-focused skills.
- **Emerging farmers programme** – in partnership with Buhle Farmers' Academy, addressing specific constraints that developing farmers face and providing support through training, skills transfer, coaching, mentoring and startup assistance.
- **Partners for Possibilities (PfP)** – working to improve the quality of education by having school principals and educator bodies partner with business leaders to share knowledge and experience with a view to driving community involvement and lasting, positive change in schools.
- **National Business Initiative (NBI) Partnership** – building the capacity of Technical and Vocational Education Training (TVET) colleges to deliver courses that produce graduates with essential 'green' skills that improve their employability.

The Nedbank Foundation is our primary corporate social investment arm and a key facilitator of our purpose.

Since the launch of the Nedbank Children's Affinity, Nedbank and its clients have provided financial support of more than R82 million to the NMCF.

In addition to our own CSI commitments and investments, we recognise the immense value of social development partnerships with like-minded individuals and organisations. The Nedbank Affinity Programme was created on this understanding and has grown into one of the most successful shared giving solutions in the country. The programme affords Nedbank clients the opportunity to support causes close to their hearts, at no cost to them, simply by using affinity-linked Nedbank products. Nedbank then delivers valuable support to a diverse range of causes, on behalf of these clients, through the following channels:

- **The Nedbank Green Affinity** – supports conservation, the environment and climate-change-related projects through the WWF Nedbank Green Trust.
- **The Nedbank Sport Affinity** – supports sport development in South Africa through The Sports Trust.
- **The Nedbank Arts Affinity** – supports South Africa arts and cultural development through the Arts & Culture Trust.
- **The Nedbank Children's Affinity** – supports the children of southern Africa through a partnership with the Nelson Mandela Children's Fund (NMCF).

Since 1990 the Nedbank affinities have delivered combined financial support of more than R430 million to more than 1 200 projects across the range of affinity focus areas.

The year 2018 is a particularly significant one for the Nedbank Children's Affinity as it marks the centenary celebrations of the life of Nelson Mandela, the patron and founder of the NMCF.

The NMCF takes a highly focused approach to delivering maximum impact through the following three priority focus areas, supported by an integrated Sustainable Livelihoods Programme:

- **Child Survival and Development: First 1 000 Days of Life** – The programme aims to ensure that the country's care system adequately responds to the needs of children under the age of five to raise their chances of survival and healthy development. It specifically supports the development of community health workers, enterprise-based mobile health clinics and the monitoring of community health.
- **Child Safety and Protection: Safe Schools** – This programme targets violence in schools, with a particular focus on bullying, corporal punishment and sexual abuse.
- **Youth Leadership: Think Tanks** – Aimed at nurturing youth leadership and involving young people in designing solutions for issues that affect them, the programme facilitates entrepreneurship, social justice, participation and freedom of expression.
- **Sustainable Livelihoods Programme** – The programme is a common thread that runs through all the work of the NMCF and is designed to help communities work their way out of poverty through the formation of self-help groups that enable savings mobilisation, income generation and solutions for identified community challenges.



Skills development



Child Safety and Protection: Safe Schools



Youth development



Sustainable Livelihoods Programme

The success of such focused CSI approaches, as embodied by the Nedbank Foundation and the NMCF, can be accurately measured in terms of the social development outcomes they help achieve. In the case of Nedbank, these outcomes are measured in terms of the extent to which we consistently deliver on our purpose to 'do good'. We believe this type of measurable social development intervention is the most effective way for any organisation to contribute to the objectives of the National Development Plan and the Sustainable Development Goals of the United Nations. In our experience, impactful social investment is only possible through a highly strategic approach with focused outcomes that align with business objectives and achieve a clearly defined purpose.

CSI expenditure per company

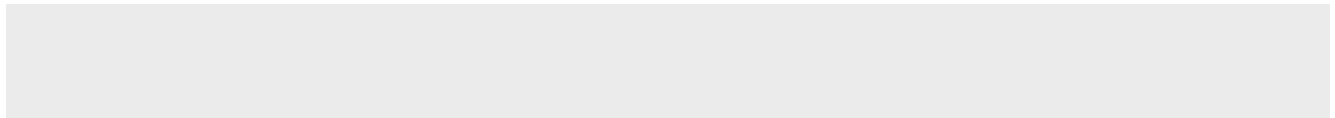
The following table contains published figures on CSI expenditure of over R5 million during the period 1 July 2017 to 30 June 2018, where available.

As far as possible, Triologue has focused on South African expenditure on CSI. However, it is not always possible to discern South African versus multinational expenditure. Reported figures are also not consistent in how CSI is defined but, where possible, we have excluded expenditure on non-CSI-related activities. Where global figures are reported in dollars, pounds or euros, Triologue has converted these to rands using the average exchange rate for each company's financial year. Notes are included to provide clarity in instances where reported numbers do not accurately represent South African CSI expenditure. Triologue does not take responsibility for inaccuracy of published figures.

Company name	2017/18 published CSI spend	2016/17 published CSI spend	2017/18 focus areas	Source of 2017/18 data
	(RSA, unless otherwise mentioned) Rm	(RSA, unless otherwise mentioned) Rm	(not in order of investment)	
ABI	Not disclosed	24.0	Youth empowerment, environment, enterprise development, philanthropic ad hoc projects	
Absa	95.6	100.0	Education, skills development targeting youth	<i>Barclays Africa Group Limited, B-BBEE Report 2017</i>
ACSA	39.0	54.9	Community development, youth development, education, skills and enterprise development, environment, sports, disability	<i>ACSA Annual Integrated Report 2017, p88</i>
ADvTech	130.0 ¹	112.0	Education	<i>ADvTech Sustainability Report 2017, p9</i>
AECI	35.0	21.0	Education, skills development, environment, community development, OVC	<i>AECI Integrated Annual Report 2017, p58</i>
African Rainbow Minerals	115.0 ²	106.0	Economic development, women and youth development, OVC, community development, enterprise development	<i>African Rainbow Minerals Integrated Annual Report 2017, p9</i>
Alexander Forbes	7.0	5.5	Education, early childhood development, OVC, community development	<i>Alexander Forbes Integrated Annual Report 2018, p21</i>
Altron Group	6.6	8.4	Education, skills development	<i>Altron Group Integrated Annual Report 2018, p13</i>
Anglo American	1 171.5 ³	1 237.0	Community development, education, training, water and sanitation, health and welfare, sports, arts, culture and heritage, institutional capacity development, environment, disaster and emergency relief	<i>Anglo American Sustainability Report 2017, p42</i>
Anglo American Platinum	301.1	354.0	Education and training, health and welfare, water and sanitation, institutional capacity development, community development	<i>Anglo American Platinum Integrated Annual Report 2018, p147</i>
AngloGold Ashanti	Not available at time of going to print	87.8 ⁴	Enterprise development, social infrastructure, health, education, youth skills development, arts, culture and heritage	<i>AngloGold Ashanti Sustainable Development Report 2017, p83</i>
ArcelorMittal SA	23.0	17.4	Skills development, training, education	<i>ArcelorMittal Integrated Annual Report 2017, p5</i>
Aspen Pharmacare Holdings	14.2	13.9	Health, education, training, sports, community upliftment	<i>Aspen Pharmacare Integrated Annual Report 2017, p61</i>
Assmang	69.5	73.1	Education, enterprise development, community upliftment, poverty alleviation	<i>Assmang Sustainability Report 2017, p19</i>

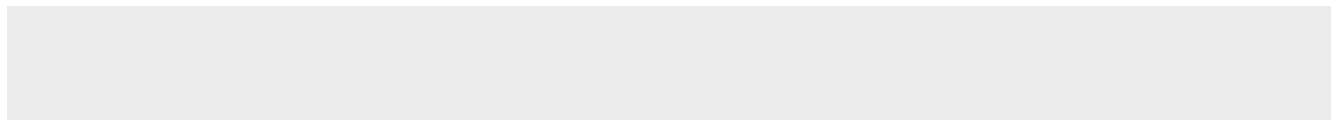
CSI expenditure per company (continued)

Company name	2017/18 published CSI spend (RSA, unless otherwise mentioned) Rm	2016/17 published CSI spend (RSA, unless otherwise mentioned) Rm	2017/18 focus areas (not in order of investment)	Source of 2017/18 data
Assore	27.6	33.2	Education, enterprise development, community upliftment, poverty alleviation	<i>Assore Sustainability Report 2017, p19</i>
Astral Foods	40.8	56.3	Education, skills development, adult basic education, health, HIV/Aids, basic needs, welfare, enterprise development	<i>Astral Foods Integrated Annual Report 2017, p90</i>
Aveng Group	6.8	12.3	Education	<i>Aveng Integrated Annual Report 2017, p9</i>
AVI	Not available at time of going to print	23.2	Education, skills development, health, welfare, environment	
Barloworld	18.0	16.8	Education, skills development, job creation, environment, health, leadership, youth development, sports development, crime prevention	<i>Barloworld Integrated Annual Report 2017, p82</i>
BHP Billiton	1 089.4 ⁵	2 593.2	Enhancing livelihoods, health, education, training, social inclusion	<i>BHP Billiton Integrated Annual Report 2017, p7</i>
Bidvest	81.0	105.0	Community development, environment, enterprise development, training	<i>Bidvest Integrated Annual Report 2017, p47</i>
Blue Label Telecoms	8.5	6.5	Youth, sports development, technological development	<i>Blue Label Telecoms Integrated Annual Report 2017, p21</i>
BMW	495.5 ⁶	1 413.9	HIV/Aids, community development, education, sports development	<i>BMW Integrated Annual Report 2017, p71</i>
BP	1 191.5 ⁷	898.7	Education, energy sustainability	<i>BP Sustainability Report 2017, p51</i>
British American Tobacco	320.7 ⁸	166.0	Sustainable agriculture, environment, empowerment, civic life	<i>BAT Integrated Annual Report 2017, p31</i>
Calgro M3 Holdings	9.6	7.2	Education, skills development, social development	<i>Calgro M3 Integrated Annual Report 2018, p63</i>
Capitec Bank Holdings	10.6	13.4	Community development, education, skills development, enterprise development	<i>Capitec Bank Integrated Annual Report 2018, p162</i>
Cashbuild	147.0	141.4	Education, community development, enterprise development	<i>Cashbuild Integrated Annual Report 2017, p19</i>
Chevron	Not available at time of going to print ⁹	2 735.8	Education, health, community and economic development	<i>Chevron Integrated Annual Report 2017, p4</i>
Clicks Group	17.8	15.1	Health, skills development	<i>Clicks Group Integrated Annual Report 2017, p56</i>
Coronation Fund Managers	19.8	19.8	Education, skills development, entrepreneurship development, financial education	<i>Coronation Fund Managers Integrated Annual Report 2017, p48</i>
Curro Holdings	51.0	43.0	Health, environment, community development	<i>Curro Holdings Integrated Annual Report 2017, p27</i>
Datatec	7.0	7.0	Education, skills development	<i>Datatec Integrated Annual Report 2018, p56</i>
De Beers Group	Not available at time of going to print	9.9	Health and HIV/Aids, sports, education, arts, culture and heritage, institutional capacity development, emergency relief, housing, environment, community development, small business development	
Denel	9.4	7.2	Education, training, skills development, community development, enterprise development, sports development	<i>2017/18 spend data was provided via email from Denel</i>



Company name	2017/18 published CSI spend (RSA. unless otherwise mentioned) Rm	2016/17 published CSI spend (RSA. unless otherwise mentioned) Rm	2017/18 focus areas (not in order of investment)	Source of 2017/18 data
Discovery Holdings	32.0	57.0	Health, education, environment, enterprise development	<i>Discovery Holdings Sustainable Development Report 2017, p2</i>
Distell Group	Not available at time of going to print	17.3	Alcohol abuse-related harm reduction, youth and entrepreneurship development, arts and culture	
DRD Gold	Not available at time of going to print	25.0	Health, safety and security, environment, skills development, training	
Eskom	192.0	225.3	Education, health, community development, enterprise development	<i>Eskom Integrated Annual Report 2018, p13</i>
Exxaro Resources	51.0	49.0	Education, skills development, infrastructure, health and welfare, sports and recreation, enterprise development, environment, agriculture	<i>Exxaro Resources Integrated Annual Report 2017, p15</i>
Famous Brands	23.2	18.4	Education, sports, health	<i>Famous Brands Integrated Annual Report 2018, p13</i>
FirstRand	342.1 ¹⁰	354.0	Education, community development	<i>FirstRand IAR 2018 p 11</i>
Glencore Xstrata	1 264.7 ¹¹	1 157.6	Education, enterprise development, economic diversification, health, environment	<i>Glencore Xstrata Integrated Annual Report 2016, p35</i>
Gold Fields	226.3 ¹²	58.8	Education, social and community development, skills development, infrastructure, health	<i>Gold Fields Integrated Annual Report 2017, p5</i>
Grindrod	8.7	11.9	Education, environment	<i>Grindrod Integrated Annual Report 2017, p76</i>
Growthpoint Properties	23.6	21.8	Education, enterprise and supplier development, social infrastructure	<i>Growthpoint Properties Integrated Annual Report 2017, p118</i>
Harmony Gold Mining	15.0	9.0	Education, socioeconomic development projects, South Africa's mineral industry tertiary education support programme, entrepreneurial and skills development, sports and recreation development	<i>Harmony Gold Mining Integrated Annual Report 2017, p9</i>
HCI Foundation (Hosken Consolidated Investments)	200.0	150.0	Education, training, development and enrichment, environment, safety, human rights and advocacy, arts and culture	<i>HCI Integrated Annual Report 2017, p60</i>
Impala Platinum Holdings	Not available at time of going to print	106.0	Community development	
Imperial Holdings	11.5	16.3	Health, community development, safety	<i>Imperial integrated annual report 2018 - Supplementary online information: Improving our transformation credentials in South Africa: http://imperial-reports.co.za/reports/iar-2018/pdf/sd-reports/improving-our-transformation-credentials-in-south-africa-logistics.pdf</i>
Industrial Development Corporation of SA	31.8	58.0	Education, training, skills development, community development, entrepreneur development	<i>Industrial Development Corporation of SA Integrated Annual Report 2018, p49</i>
Investec	94.2	85.9	Education, entrepreneur development	<i>Investec Corporate Responsibility Report 2018, p24</i>
Invicta	Not disclosed	5.8	Training, education, skills development	
JSE	10.8	8.3	Education, financial literacy	<i>JSE Integrated Annual Report 2017, p27</i>

Company name	2017/18 published CSI spend	2016/17 published CSI spend	2017/18 focus areas	Source of 2017/18 data
	(RSA, unless otherwise mentioned) Rm	(RSA, unless otherwise mentioned) Rm	(not in order of investment)	
Kumba Iron Ore	106.7	67.0	Education, skills development, health and welfare, enterprise development, poverty alleviation infrastructure, institutional capacity development, sports, arts and culture, heritage	<i>Kumba Iron Ore Sustainability Report 2017, p45</i>
Lewis Group	7.6	8.0	Education, OVC, health, community development, training	<i>Lewis Group Integrated Annual Report 2018, p89</i>
Liberty Holdings	41.3	37.0	Education, community development, enterprise and supplier development	<i>Liberty Holdings Integrated Annual Report 2017, p77</i>
Life Healthcare Group	43.0	68.9	Health, skills development, environment	<i>Life Healthcare Group Integrated Annual Report 2017, p94</i>
Lonmin	102.8	71.8	Enterprise and skills development, education, community health, social infrastructure, sports	<i>Lonmin Sustainable Development Report 2017, p67</i>
Massmart Holdings	23.4	24.1	Food security, early childhood development, school maintenance and infrastructure	<i>Massmart Holdings Integrated Annual Report 2017, p17</i>
Media24	19.6	54.0	Education, digital media training, enterprise development	<i>Media24 Integrated Annual Report 2018, p27</i>
MediClinic International	29.3 ¹³	12.3	Health, training, education	<i>MediClinic International Integrated Annual Report 2017, p66</i>
Merafe Resources	27.1	23.7	Education, health, agriculture, food security, community development	<i>Merafe Resources Integrated Annual Report 2017, p33</i>
Metair Investments	10.1	13.5	Education, health, basic needs and social development, skills development, arts and culture, sports, job creation, infrastructure development	<i>Metair Investments Integrated Annual Report 2017, p15</i>
MMI Holdings	25.0	29.1	Education, health, disability, sports development	<i>MMI Holdings Integrated Annual Report 2018, p28</i>
Mondi Group	144.4 ¹⁴	128.6	Education, health, infrastructure, enterprise development	<i>Mondi Group Sustainable Development Report 2017, p7</i>
Mr Price Group	28.2	22.3	Education, skills development	<i>Mr Price Group Integrated Annual Report 2018, p11</i>
MTN Group	172.0	295.4	Education, health, entrepreneur development	<i>MTN Group Integrated Annual Report 2017, p14</i>
MultiChoice Africa	60.1	Not disclosed	Education, skills development, sports, arts and culture, environment, health	<i>MultiChoice Integrated Annual Report 2018, p58</i>
Murray & Roberts Holdings	Not available at time of going to print	20.5	Education, safety, health, community development	
Nampak	9.7	8.5	Education, health and welfare, environment	<i>Nampak Integrated Annual Report 2017, p7</i>
Nedbank Group	168.0	141.0	Education, community development, skills development, health	<i>Nedbank Group Integrated Annual Report 2017, p72</i>
Netcare	26.0	23.0	Health	<i>Netcare Integrated Annual Report 2017, p11</i>
Pan African Resources	24.3	21.0	Education, community development, housing, arts and culture	<i>Pan African Resources Integrated Annual Report 2017, p16</i>
Peermont Global	39.4	42.0	Education, entrepreneurship and community development	<i>Peermont CSI Brochure 2017/18, p5</i>
PetroSA	Not available at time of going to print	8.7	Education, health, community development, environment	



Company name	2017/18 published CSI spend	2016/17 published CSI spend	2017/18 focus areas	Source of 2017/18 data
	(RSA, unless otherwise mentioned) Rm	(RSA, unless otherwise mentioned) Rm	(not in order of investment)	
Pick n Pay	30.5	38.7	Food security, job creation, skills development, environment, community and enterprise development	<i>Pick n Pay Integrated Annual Report 2018, p70</i>
Pioneer Foods Group	Not available at time of going to print	9.3	Education, food security, community development	
PPC	10.0	8.0	Education, health, skills development, infrastructure, sports, arts and culture, job creation, OVC	<i>PPC Integrated Annual Report 2017, p39</i>
PricewaterhouseCoopers	20.1	9.4	Education, entrepreneurship	<i>PricewaterhouseCoopers Integrated Annual Report 2017, p52</i>
Raubex Group	6.3	5.2	Education, health, community development, sports	<i>Raubex Group Integrated Annual Report 2018, p79</i>
RCL Foods	Not available at time of going to print	12.8	Education, food security, early childhood development, welfare, entrepreneur development, community development	
Remgro	23.0	24.0	Community development, cultural development, entrepreneurship, training, education, environment, health, sports development	<i>Remgro Integrated Annual Report 2017, p3</i>
Reunert	Not available at time of going to print	14.0	Education, childhood development, community development	
Rio Tinto	2 343.1 ¹⁵	2 441.7	Education, health, environment, community development, agriculture, business development	<i>Rio Tinto Integrated Annual Report 2017, p 6</i>
Royal Bafokeng Holdings	20.0	6.4	Education	<i>Royal Bafokeng Holdings Integrated Annual Report 2017, p15</i>
Royal Bafokeng Platinum	40.5	287.1 ¹⁶	Skills development, education, health, housing, community infrastructure, poverty alleviation, job creation	<i>Royal Bafokeng Platinum Integrated Annual Report 2017, p103</i>
Sanlam	93.0	68.0	Education, health, skills development	<i>Sanlam Integrated Annual Report 2017, p99</i>
Santam	11.5	21.0	Community development, environment, skills development, education	<i>Santam Integrated Annual Report 2017, p56</i>
Sappi	Not disclosed	56.9	Education, early childhood development, youth development, enterprise development	
Sasol	817.7 ¹⁷	676.0	Education, job creation, community development, small business enablement, environment	<i>Sasol Integrated Annual Report 2018, p16</i>
Sekunjalo Investments	15.9	14.8	Arts and culture, education, sports development, enterprise development, social development, OVC	<i>AEEL Integrated Annual Report 2017, p137</i>
Shoprite Holdings	138.6 ¹⁸	143.5	Food security, community development, skills development	<i>Shoprite Holdings IAR 2018, P 41</i>
Sibanye Gold	1 159.0	656.0	Education, training, sports, conservation and environment, health, enterprise development, infrastructure, local economic development/ social and labour plans	<i>Sibanye Gold Integrated Annual Report 2017, p22</i>
Spar Group	Not available at time of going to print	15.7	Community development, education, health, OVC, food security, enterprise development	

Company name	2017/18 published CSI spend (RSA, unless otherwise mentioned) Rm	2016/17 published CSI spend (RSA, unless otherwise mentioned) Rm	2017/18 focus areas (not in order of investment)	Source of 2017/18 data
Standard Bank Group	106.0	95.7	Education, community development, humanitarian relief, arts and culture	<i>Standard Bank Report to Society 2017, p27</i>
Sun International	16.0	17.5	Education, sports, arts and culture	<i>Sun International Integrated Annual Report 2017, Community, p44</i>
Super Group	8.0	5.6	Education, food security and nutrition, welfare	<i>Super Group Integrated Annual Report 2017, p20</i>
Telkom SA	Not available at time of going to print	38.4	Education, social development	
TFG	21.5	38.3	Education, community development, small business support, entrepreneur development, employment in local communities	<i>TFG Integrated Annual Report 2018, p49</i>
Tiger Brands	39.0	35.0	Food security, nutrition education, hygiene, sanitation, heritage	<i>Tiger Brands online Socio-Economic Development content: www.tigerbrands.com/sustainability/sustainable-socio-economic-development/</i>
Tonga Hulett	24.4	16.7	Job creation, education, training, access to healthcare, basic amenities, food security, infrastructure development	<i>Tonga Hulett Integrated Annual Report 2017, p48</i>
Transnet	219.0	234.0	Education, health, sports, socioeconomic infrastructure development, community upliftment	<i>Transnet Sustainability Report 2018, p17</i>
Truworths International	Not available at time of going to print	4.8	Healthcare, education, social development, sports, arts and culture	
Tsogo Sun Holdings	57.0	65.0	Education, training, arts and culture, sports	<i>Tsogo Sun Integrated Annual Report 2018, p37</i>
Vodacom Group	100.3	93.0	Education and gender empowerment	<i>Vodacom Social and Ethics Report 2018, p5</i>
Wesizwe Platinum	53.9 ¹⁹	40.2	Education, enterprise development, community development, skills development, infrastructure development, health, sports	<i>Integrated Annual Report 2017, p51</i>
Woolworths Holdings	817.0 ²⁰	757.0	Education, food security, child vulnerability, safety, health	<i>Woolworths Holdings Integrated Annual Report 2018, p26</i>
York Timber Holdings	15.0	10.8	Health, enterprise development, basic needs, entrepreneurship, environment	<i>York Timber Holdings Integrated Annual Report 2017, p9</i>

¹ Amount reflects spend on bursaries only

² Includes Local Economic Development (LED) and Social and Labour Plan (SLP) projects

³ Group spend, \$88m 2017/18 @ \$13.3 (including expenditure relating to enterprise development and Anglo American Chairman's Fund), 2016/17 \$84m @ \$14.7

⁴ South Africa Region and corporate spend, 2016/17 spend \$5.97m @ \$14.7

⁵ Group spend, 2017/18 \$80.1m @ \$13.6, 2016/17 spend \$178.7m @ \$14.5

⁶ Group spend, 2017/18 €33.4m and €16.2m for donations @ €14.8, 2016/17 €87.8 @ €16.1. Significant decrease compared to 2016 due to one-time donations in honour of BMW centenary year in 2016

⁷ Group spend, 2017/18 \$89.5m @ \$13.3, 2016/17 \$61.1m @ \$14.7

⁸ Group spend, 2017/18 £18.7m @ £17.0, and a further £14.3m in-kind charitable contributions and CSI projects. 2016/17 £8.3m @ £20.0

⁹ Total global spend over the past 5 years \$1.1b

¹⁰ CSI spend includes FirstRand Foundation, (including RMB Fund, FNB Fund and WesBank Fund), FirstRand Empowerment Foundation and FirstRand Staff Assistance Trust

¹¹ Group spend, 2017/18 \$90m @ \$14, 2016/17 spend \$84m @ \$13.8

¹² Group spend, 2017/18 \$17m @ \$13.3, 2016/17 spend \$16m @ \$14.7

¹³ Southern Africa spend

¹⁴ Group spend, 2017/18 €9.6m @ €15.0, 2016/17 €7.9m @ €16.3

¹⁵ Group spend, 2017/18 \$176m @ \$13.3, 2016/17 \$166m @ \$14.7

¹⁶ The 2016/17 total of R287.1 million includes a once-off payment of R251.1 million for the employee home ownership scheme

¹⁷ Group spend

¹⁸ Includes surplus food donations

¹⁹ Includes housing

²⁰ Includes Group spend. Includes funds raised through various Woolworths initiatives

Nourishing and nurturing more lives every day



Tiger Brands is the largest branded food manufacturing company in sub-Saharan Africa and boasts some of South Africa's oldest, iconic brands such as All Gold, Ace, Tastic, Koo and, of course, Jungle Oats. In addition to putting premium-quality food products on the table, Tiger Brands is a responsible corporate citizen, passionate about making a difference to the growth and development of all the communities in which we operate.

Given the nature of our business, the importance of food security and food safety cannot be overstated. Providing nutritious food that is affordable and sustainable is a significant responsibility and one which Tiger Brands takes very seriously. Crucially, this is in line with the priorities of government.

In the spirit of making a meaningful difference, we have devised a range of initiatives to broaden the impact of our corporate social investment (CSI) programme. Now known as the Socioeconomic Development (SED) initiatives, our programmes reflect a more sustainable, integrated approach to social investment.

Our SED vision to build, nourish and nurture sustainable, food-secure and healthy communities is underpinned by a range of interconnected programmes. These programmes address the key goals of South Africa's National Development Plan (NDP) and UN Sustainable Development Goals.

- The Tiger Brands **Food and Nutrition** programme continues to meet the immediate need of hunger and malnutrition and enables healthier, happier lives.
- The **Skills Development** programme aims to empower communities with practical skills and resources to foster sustainable economic activity.
- Our **Community-based Enterprise Development** programme is directed at building thriving and resilient communities through the support of community enterprises linked to our value chain benefitting society and our planet in a sustainable way.
- **Cause and Brand-related Marketing** focuses on supporting brands to create social value by connecting with society to establish a long-term and mutually beneficial relationship.
- **Employee Volunteerism** provides Tiger Brands employees the opportunity to engage in social causes that are close to their hearts and in the communities in which they live and work.

Community and Household Food Garden Initiative

In April 2018 Tiger Brands, in partnership with national NGO Food & Trees for Africa, presented 500 homes in the Mohlakeng area with 'home garden starter packs', which included a variety of seeds, tools, watering cans and compost. This followed the training of 20 community educators and more than 100 community members, who have been trained on natural farming methods with a view to creating and sustaining vegetable gardens. Moreover, each community educator has been allocated 25 home gardeners to oversee. As a group, they will each receive a series of tools and training to ensure that they provide tailored, immediate support to community members engaged in home gardens.

August 2018 also witnessed the creation and distribution of 500 gardens, along with the training and employment of 20 local community educators in Amantimande, Katlehong.

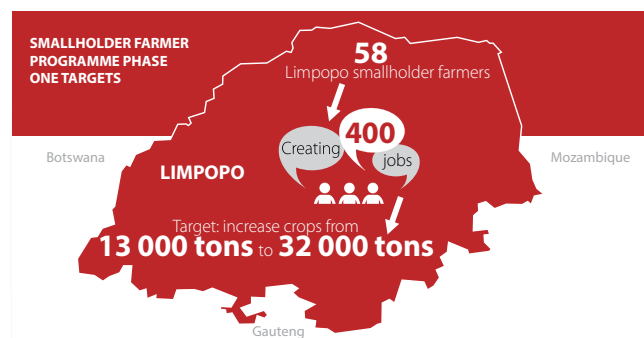
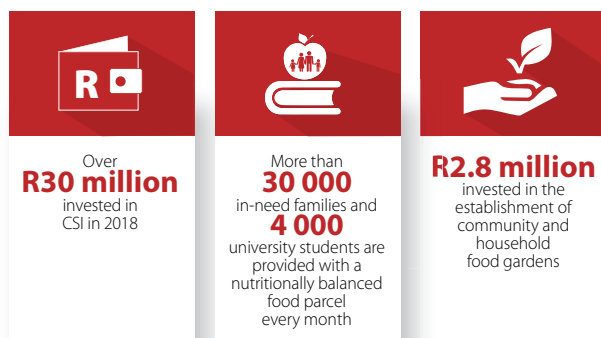
Crucially, permaculture (which is essentially a system of agricultural and social design principles centred around simulating or directly utilising the patterns and features observed in natural ecosystems) has been incorporated in the initiative to ensure the long-term sustainability of these projects. Ultimately, the intention of this initiative is to promote food sovereignty, healthy lifestyles and basic sustainable practices.

Transforming the supply chain to focus on food security

Food security is a complex matter, but the solution lies in collaborative efforts and partnerships between industry, authorities and communities. Government cannot do it alone. As the only food company on the JSE Top-40, doing our bit to contribute to food and nutrition security is not only incumbent on Tiger Brands, but is important in ensuring that all South Africans have access to nutritious and affordable good-quality food.

The food industry and government do not operate in a vacuum. For South Africa to improve levels of food security, and for us to get anywhere near realising the vision of the National Food and Nutrition Security Policy, everyone has to do their bit.

A significant focus for us at Tiger Brands is to transform our supply chain. As part of this goal we have partnered with the Department of Agriculture, Forestry and Fisheries to identify and develop smallholder farmers, who were previously unable to enter our supply chain or compete with their commercial counterparts.



A NEW GENERATION OF CODE BREAKERS

Government is considering introducing coding in South African schools. Why digital education is key to unlocking a successful future for youth.

At the recent Think Johannesburg Conference, communications deputy minister Pinky Kekana revealed that the South African government is considering introducing coding at school level. There is a need to assess how we future proof children in a society that is constantly changing, Kekana noted at the conference, adding that the time to introduce basic coding into our education system had come.

Khethiwe Nkuna, Head of Corporate Citizenship and Inclusion and Diversity Lead for Accenture in Africa, notes that there is growing pressure on government to deliver more to citizens – but with increasingly limited resources. Nkuna emphasises the role that technological innovation can play in improving outcomes for all and is very optimistic about the key contributions Accenture can make – and has already made – in this arena.

CODING: THE KEY TO TOMORROW

Today, young people need access to a whole new set of skills – those that will enable them to work and thrive in the digital age. As an organisation, Accenture has long supported digital education initiatives and has witnessed the immense value these projects bring young people. Accenture's participation in Hour of Code, for example – a global educational movement exposing millions of students to a one-hour introduction to computer science and computer programming – has allowed Accenture employees worldwide to help make a difference. Locally, the Coder

Dojo youth initiative has meant Accenture SA employees have been able to transfer further critical digital skills to South Africa's disadvantaged youth.

In today's fast-moving world, digital skills are growing more and more critical, and technology is constantly reshaping the world of work. 'These developments will transform the way we live,' the World Economic Forum (WEF) noted in a 2016 report. 'Some jobs will disappear, others will grow and jobs that don't even exist today will become commonplace. What is certain is that the future workforce will need to align its skillset to keep pace.'

In 2016 for example, the World Economic Forum predicted that five years hence, over one-third of the skills (35%) considered important in the workforce would have changed. By 2020, by contrast, the WEF predicted that the 4th Industrial Revolution would bring us advanced robotics, artificial intelligence, machine learning, advanced materials, biotechnology and genomics. Many of those predictions have already been realised, demonstrating the pace at which change is happening.

KEEPING UP

The constantly evolving technological landscape means that young people will need flexible digital skills to be able to participate in the digital economy

of tomorrow– along with the mindset enabling them to apply those skills in different, evolving ways.

In line with these sentiments, during the Think Johannesburg conference, deputy minister Kekana highlighted that we are, moreover, 'moving into an economy that's heavy on technology and light on labour,' adding, 'therefore, it is crucial that we consider smart interventions.'

DIGITAL SKILLS IN SA

When it comes to equipping youth with the digital skills needed to thrive in this new world of work, Accenture has taken a very active, hands-on role.

CODER DOJO

Forming part of Accenture SA's Skills to Succeed initiative, the organisation's involvement in the Coder Dojo project saw learners aged 7 to 17 from the townships of Alexandra and Diepsloot involved in a year-long coding programme in 2017.

Twice monthly, Accenture employees donated their time to teach coding skills at Accenture's Harrowdene offices in Johannesburg, with Dojo graduation taking place at a ceremony in December. This followed on from Accenture's activities the year prior, during which we hosted the Hour of Code Hackathon in Johannesburg.

(At the global scale, Hour of Code is truly massive, and sees thousands of Accenture employees donating their time to mentor and teach young people key digital skills. 2017 saw more than 14,000 Accenture employees worldwide lead coding tutorial sessions during Computer Science Education Week.)

OPENING UP OPPORTUNITIES

South Africa stands at an education and unemployment crossroads. While the digital demands of the 4th Industrial Revolution will usher in a new set of challenges, with them will come a new set of opportunities too.

Accenture is committed to not only inspiring youth to involve themselves in the world of tech, but to expanding the opportunities for students to learn critical coding and computer science skills first-hand.

Given the recent announcements by the deputy minister, it seems that the South African government is also beginning to envision a tech-first future for SA's

Khethiwe Nkuna

Corporate Citizenship & Inclusion and Diversity Lead (Africa)

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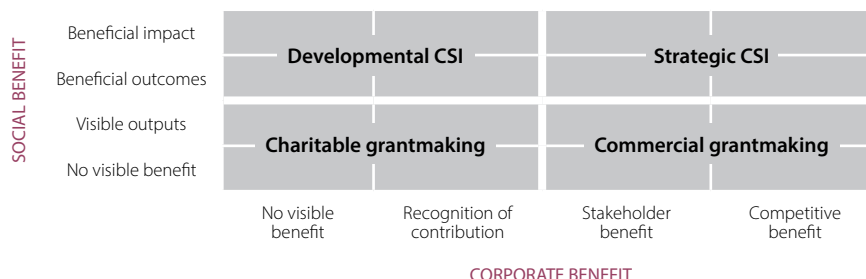
CELEBRATING strategic CSI

For CSI to be strategic, it must have positive developmental impact that is aligned with and contributes to the priorities of the business. Since 2014, The Trialogue Strategic CSI Award has recognised projects that exemplify best practice. Through this award, Trialogue aims to encourage CSI practitioners to think more strategically when planning and implementing their initiatives. For the first time this year, there was a tie for first place.

Learn more about what constitutes strategic CSI and find out about the co-winners and other commendable projects.

Dialogue's CSI positioning matrix

Strategic CSI projects deliver a high combination of positive social and business outcomes. While developmental CSI offers beneficial social outcomes, it does not always have significant corporate benefits. Similarly, commercial grantmaking prioritises corporate benefit over social return.



Judging criteria

Companies submit entries for CSI projects that they feel are strategic, using a standard entry form. Each project is judged against its objectives, social benefits and corporate benefits, as set out below:

Objectives

Targets need to be practical and realistic. Projects should have 'SMART' (specific, measurable, relevant and time-bound) objectives.

Social benefits

Visible outputs: Evidence of short-term results that are immediate, visible and concrete (e.g. number of houses built, people trained, supplies or pamphlets distributed, community members treated, hours of service delivered).

Beneficial outcomes: Evidence of specific changes in behaviour, knowledge, skills or wellbeing of the project beneficiaries. Medium-term developmental results that are the consequence of achieving a specified combination of short-term outputs (e.g. behaviour change, attitude change, new knowledge or skills, improved grades, reduced isolation, improved access to health services).

Beneficial impact: Evidence of broader long-term (three years or more) consequences of the project. Community, society or system-level changes that are the logical consequences of a series

of medium and short-term results (e.g. improved effectiveness of education system, reduction in HIV prevalence, new social norms, more educated/healthier population, inclusive decision-making, lack of stigma, increased capacity). Government engagement, lesson-sharing and advocacy are also taken into account.

Corporate benefits

Recognition of contribution:

Recognition of the project that improves the company's reputation. This can include recognition of expenditure as socioeconomic development in line with the Broad-Based Black Economic Empowerment (BBBEE) scorecard, as well as internal and external communication of the project.

Stakeholder benefit: Meaningful engagement with key business stakeholder groups in the funding, design or management of the project that improves the company's relationship with that stakeholder group. Stakeholders can include communities, regulators, government, suppliers, customers or employees.

Competitive benefit: Project benefits that enhance the competitiveness of the business. This can be done by securing a licence to operate, opening up new markets for the business, introducing new products, reducing costs by developing suppliers or leveraging corporate resources, or securing specialised talent.

About the judges

Dr Stan Hardman is an educator, academic, researcher and consultant. In his position as programme designer at The Leadership Dialogue, he develops and manages specialist programmes in leadership development. His work focuses on situations of human complexity that require holistic solutions. His particular interest is in social partnerships involving communities, business and government that create social capital while finding practical solutions to embedded problems.

Anthony Wilson-Prangley lectures in the area of leading social change, with emphasis on the dynamics of leadership, human behaviour and diversity. He has experience in the areas of business in society, social entrepreneurship and public leadership, and helped to build the Centre for Leadership and Dialogue at The Gordon Institute of Business Science. The centre focuses on the context and capacities required for leading complex societies. His professional interests include the study of democracy in countries in transition, social change in the contemporary era and active citizenship.



The Trialogue Strategic CSI Award 2018 was conferred on **AECI Wise Wayz Water Care** (pages 72–73) and **Merchants Group's Social Action-based Leadership Development** (pages 74–75).



AECI Wise Wayz water care

Co-winner of the Dialogue Strategic CSI Award 2018

The AECI Wise Wayz Water Care (WWWC) programme started in 2016 and is based in the Mbokodweni catchment area, working with 122 members of the Folweni and Ezimbokodweni communities in eThekweni, KwaZulu-Natal. WWWC promotes healthy natural environments through water and food security, while also developing community skillsets and sustainable livelihoods in historically disadvantaged communities. WWWC keeps a 30 kilometre stretch of the Umbogintwini River clear of solid waste and invasive alien plants, and has rehabilitated the Ezimbokodweni wetland of approximately 0.9 hectares, providing ecosystem services such as flood attenuation to the community. The rehabilitated area is cared for and monitored by the community.

Through WWWC, AECI and beneficiaries engage extensively with the eThekweni Municipality. This work has been acknowledged by Durban Solid Waste, the Environmental Planning and Climate Protection Department, and the Roads and Stormwater Maintenance Department.

Social benefits: Skills development, increased employment opportunities, environmental education and safety

The Umbogintwini Industrial Complex (UIC), owned by AECI, has two impoverished communities on its border. While some community members are employed at the UIC, AECI also helps to address broader community employability through its support of WWWC, which develops green skills, while simultaneously strengthening the company's relationship with these communities.

Through WWWC 441 beneficiaries have received training in a range of subjects, from basic vegetable production to water safety. Training can take a few days, or a few months, depending on the intensity of the subject matter.

To date, 16 WWWC participants have been employed by the eThekweni Municipality to draw on their skills acquired through the programme to clear and manage invasive alien plants. The programme also aims to establish two commercial agri-businesses (in poultry and vegetable farming) to support food security and increase sustainable job opportunities for beneficiaries.

The visible effects of WWWC have helped to instil a sense of community pride, as residents increasingly fulfill their responsibilities to their natural environment. Community commitment to the environment is indicated by the care and maintenance of the wetland, the decrease in the dumping of waste and active participation in recycling efforts, facilitated by WWWC members.



Community engagement and education is also strengthened through the WWWC. For example, when aquatic monitoring of the river system in 2018 found a spike in E. coli, WWWC members investigated and found that a family in the area had been dumping nappies into one of the streams. Once engaged about the effects of their actions, the family stopped dumping. Over the 2017/18 period 1 833 community homes were visited and engaged about the environmental challenges they faced and how these could be addressed.

Business benefits: Employee engagement, competitive edge and improved BBBEE rating

Through WWWC, the AECI Group has been able to demonstrate its commitment to environmental sustainability and community development, strengthening its relationship with the communities in which it operates, as well as with its staff. The WWWC model, which can be replicated across major operating sites, is profiled at all employee induction sessions. Some employees volunteer their advice and skills to the project in their personal capacity and various business units have expressed interest in providing more formalised mentorship, technical guidance and training.

Through waste reduction in the river, WWWC contributes to water security. The UIC abstracts water from the Umbogintwini River, below the area where WWWC works. Abstracted water is purified and sold to site companies within the UIC. For AECI, there is a cost to purifying abstracted water before selling it to site companies. The cleaner the water abstracted from the river, the cheaper it is to purify, and the more improved the profit margin for AECI. By assisting WWWC, AECI ensures a sustainable supply of water to the UIC and gains a competitive edge through reduced processing costs.

A recently established small business for the management and clearing of invasive alien plants will assist AECI with ensuring compliance with the National Environmental Management: Biodiversity Act (10 of 2004). The use of the business as a supplier will also contribute to supplier development and, therefore, to the company's BBBEE rating.

The WWWC is funded by the AECI Group Community Education and Development Trust, which contributes towards the ownership score of AECI Limited. AECI's subsidiaries also support the programme through their socioeconomic development (SED) contributions. This type of support enables the AECI Group to reach a 51% ownership score and five full points for SED.

Programme in numbers

R5.1 million
total company expenditure
on project in 2017/18

R7.5 million
total company expenditure
on project to date

122
programme participants

441
training opportunities in
2017/18

1 833
homes engaged in
environmental education

Judges' feedback

"This is a very good example of strategic CSI. It ticks all the right boxes for a chemical company. Extensive partnerships are a real strength of the programme. High quality and important measured objectives are evident. The project is strategic in that it focuses on a water ecosystem that feeds an AECI plant. A survey found that residents believe the river system is cleaner. Outputs such as the provision of specific training are quantified. Further quantified outcomes will shortly become available in terms of the water condition. This is a highly recognised and awarded project with strong PR value. It also contributes well to BBBEE SED points and has good evidence of competitive benefit."



Merchants Group's Social Action-based Leadership Development

Co-winner of the Dialogue Strategic CSI Award 2018

Merchants Group partners with the non-profit Columba Leadership to deliver the Columba Youth Development Programme. This values-driven programme aims to activate the potential of young people from underprivileged communities by equipping them with problem-solving, collaboration and communication skills to become effective leaders and improve their employability. The programme also inspires young people to be agents of positive social change in their schools and communities. Through Columba, Merchants engages with a few schools each year and remains involved until the principles of the programme have become embedded into the school culture, thereby ensuring the sustainability of the programme. The programme engages various stakeholders, including principals, teachers, learners, the Department of Basic Education, and Merchants' executives and staff. Through its participation in the programme, Merchants Group gains insight into the youth market and is able to develop an alternative employee pipeline by building relationships with young leaders before they enter the job market.

Columba targets quintile one to three schools in six provinces, and focuses on learners from grades 10 to matric. The programme is delivered in three phases:

- i. Stakeholders are engaged to become part of the movement. This is followed by a six-day experiential leadership academy for the principal, two educators and 12 diverse young people (ranging from shy, underperforming or troublesome learners to academic achievers and established leaders). The programme offers staff and executives from funding partners an opportunity to directly participate in the leadership academy, along with the learners and educators.
- ii. Upon return from the academy, these 15 individuals are responsible for actioning change in their schools and communities based on what they have learnt.
- iii. Through the provision of tools, training and ongoing support, for 18 months after the academy participants work on developing themselves and social projects that will serve their communities.

During the programme, 'communities of practices' are established with clusters of schools. These communities organise annual provincial educator and learner events at which best practice and challenges are shared and excellence is awarded.

Social benefits: Improved learning environments and increased collaboration

Columba runs the programme in a school for up to five years, engaging a different cohort of grade 10 learners and teachers each year, who then mobilise the involvement of their peers and lead projects which address a range of social ills in their school and community.

School management reports that the power of ethical values and shared leadership contributes to an improved learning environment. Educators also testify to being more adept at working collaboratively with learners as partners for change, and learners become accepted as part of the leadership of the school and as role models for their peers. Columba alumni return to use their skills to support learners and their schools.

Participant schools also report improvements in learner behaviour, rates of school attendance, learner retention and the mainstreaming of youth engagement.

Additionally, a monitoring and evaluation process tracks each cohort to gauge the extent to which they successfully transition to further education, employment or entrepreneurial activity. According to the Columba Leadership website, 75% of their graduates are in jobs, further education or volunteerism.

Independent research psychologist, Chris Boon, reported the following on the programme's impact on home communities in 2016:

- 95% of parents reported a sustained change in their children's behaviour
- 89% of parents were more involved in their children's schooling
- 100% of respondents agreed that there were positive changes in the way their child interacted with older people
- 92% reported a positive perception of the graduate by community members



Business benefits: Strengthening staff leadership and developing a talent pipeline

The programme is used as an incubator for Merchants to develop leadership qualities among their staff and, since the project commenced in 2013, 120 Merchants staff and executives have participated in the leadership academies with learners and teachers.

In addition to Merchants' staff gaining leadership skills, about 50 staff members also participate in the annual Merchants-Columba Career Day, which is delivered to 16 schools in Gauteng and the Western Cape, providing learners with career guidance and advice.

Working with Columba has allowed Merchants to improve its BBBEE rating. The programme has also given the Merchants call centre a competitive advantage when attracting new talent. Through the programme an alternate pipeline of entry-level talent is created and an increased insight into different markets, particularly the youth market, is made available. New employees

are taken through induction into the Merchants' People and Customer Strategy which includes principles that are closely aligned with the ones Columba advocates: awareness, focus, creativity, integrity, perseverance and service. One of the pillars of the strategy is to create meaningful and sustainable futures for employees.

An external evaluation of the programme provided anecdotal feedback about improved staff performance at work, including:

- Improvement of interpersonal skills, empathy, better understanding and self-confidence
- Positive teamwork, greater commitment and engagement at work, stronger drive, better problem-solving and greater appreciation of the wider social context
- Encouragement to see themselves through the eyes of others, while learning to understand those from diverse backgrounds and perspectives
- The values-based approach breaks stereotypes and forces a degree of empathy which cannot be simulated in conventional training programmes.

Programme in numbers

R4.8 million

total company
expenditure on project
to date

R1.1 million

company expenditure on
project in 2017/18

83

participants from five schools
in 2017/18, including
58 learners and
25 educators

82%

pass rate for the matric
class of 2017, 74% diploma
or bachelor-level
pass rate

76%

of graduates transition
successfully from school
to further study, work or
volunteering

Judges' feedback

"This application was a real gem and illustrates the need for adaptive leadership as we enter the fourth industrial era. It highlights the way in which a more developmental initiative – high school learner leadership development – can be linked strongly with companies to facilitate executive leadership development. This is a strong example of strategic CSI. There has been a dedication to research and monitoring and evaluation and there is excellent data available in terms of outcomes and impact (for example in the survey of parents). It is also a strong example of partnership between a non-profit institution (Columba Leadership) and the corporation."

Commendable projects

All entrants to The Trialogue Strategic CSI Award 2018 are commended for their innovation and commitment to development in South Africa. However, since the focus of this award is strategic CSI, entries demonstrating direct and measurable social and business benefits were rated most highly. In addition to the 2018 co-winners, judges made special mention of the following high-scoring initiatives.

Gold Fields South Deep's Host Community Procurement Project,

started in 2015, aims to include communities in the mine's supply chain, to support job creation and improve economic prosperity in the communities surrounding the mine. The project also ensures that businesses diversify their customer base, so that they are not dependent on the mine for their main income.

Sun International/Department of Basic Education Digital Hospitality Curriculum

is a platform to educate learners about the prospects of a career in the hospitality industry. It is also used to train hospitality teachers through the use of user-friendly manuals, and provides technology that can be extended to teaching in the classroom. The programme has reached approximately 10 000 hospitality learners annually, since its inception in 2017.

The Foschini Group's Sew Good Project,

created in 2016, is a dual-purpose project that utilises the company's existing resources to train participants, as well as to provide relief for disaster-affected communities. The manufacturing division at The Foschini Group (TFG) has a training school at which participants are taught to make blankets, which are then donated to disaster-affected communities. In 2018, the project produced its 100 000th blanket. The project also trains women to use their sewing skills to become more employable. On average, 73% of women that are trained are then employed to produce and sew clothing sold in TFG stores.

Judges said: "This is an excellent example of strategic social investment and illustrates the issues associated with the extractive industry and its sustainability. It is more of an enterprise development-type initiative, in that it is procurement focused. Gold Fields has done an excellent job of conducting independent social return on investment assessments. This was the application with the strongest and most authentic reflection on its impact."

Judges said: "This is a strong initiative that is well aligned with the Sun International brand. Tourism is a crucial sector in the economy and hospitality studies play an important role in this regard. The partnerships with government and the Department of Basic Education are also acknowledged. Partnering with the public sector is crucial for broader and sustainable impact."

Judges said: "This is a strong example of strategic CSI. The initiative leverages TFG's manufacturing capacity to provide an emergency service. The trainees can then become part of TFG's manufacturing operation. Evidence for impact indicates that 73% of trainees are employed thereafter. The employees of different departments within TFG are included and this increases the stakeholder impact."

Entries for 2019 will open at the Trialogue Business in Society Conference. Previous entrants are welcome to resubmit tweaked applications if they have compelling projects that speak to the criteria. Entries should explore what makes CSI projects strategic and provide evidence of the social and business benefits of the project. For more information, please email mahlo@trialogue.co.za. ■



GIVING IS PART OF THE PROCESS OF ACHIEVING

Clover's corporate social responsibility project, Clover Mama Afrika, aims to empower women in communities across the nation with various vital skills such as cooking, baking, sewing, quilting, business management, food gardening and an egg-laying project. Over and above the training sessions, these "Mamas" are all supplied with the necessary tools, equipment, and infrastructure to create an income for themselves in order to give back to their communities.

Over the last 14 years, Clover Mama Afrika has accomplished what it set out to do from the onset, and continues to contribute towards social economic development within various communities in South Africa. It is also one of the most recognised corporate social investment project in South Africa, having won numerous prestigious awards including the Dialogue Strategic CSI Award in 2017.

Clover Mama Afrika's continued successes is attributed to having a strong infrastructure and a good support structure from Clover Exco members, as well as loyal project partners, not to mention the appointed Clover Mama Afrikas served by the project.



SUSTAINABLE IMPACT AS AT 1 JULY 2018

**TOTAL SKILLS TRAINING
SESSIONS TO DATE**
382

**RETURN ON INVESTMENT
STANDS AT**
153%

**44 MAMAS
APPOINTED IN
COMMUNITIES NATIONWIDE**

**143 INCOME-GENERATING
PROJECTS MONITORED
& EVALUATED**

**COLLECTIVELY
> 300 MEMBERS
PERMANENTLY EMPLOYED**

**2169
INDIVIDUAL TRAINING
BENEFICIARIES**

**SKILLS TRANSFER
TO 10673
COMMUNITY MEMBERS**

**22
PRESTIGIOUS AWARDS
WON IN 14 YEARS**

Clover Mama Afrika Trust
Reg. No.: 78762/05
Telephone No.: 011 471 1400
Email:
info@clovermamaafrika.com
Website:
www.clovermamaafrika.com

Clover Mama Afrikas stand united to make the changes they want to see within their community.

Social enterprise: Converging social and profit missions

The objective of a social enterprise is to address social problems through a financially sustainable business where surpluses (if any) are reinvested for that purpose. **Marcus Coetzee**, a management consultant who specialises in social impact organisations, provides insight on how non-profit organisations (NPOs) and companies can support social enterprising in South Africa.



Please comment on the state of social enterprise in South Africa. Is the sector growing? If so, what is driving this growth?

Social enterprise is still in its infancy in South Africa, but is growing steadily. This growth is driven by several factors. On one hand, NPOs are trying to earn revenue to sustain themselves and expand their impact. On the other hand, many entrepreneurs are trying to establish businesses with heart. I believe there is a convergence between the non-profit and private sectors.

In South Africa, do most social enterprises have their origins in NPOs, or have most been started as new mission-driven for-profit companies? How does this compare internationally?

The 2018 *Social Enterprise in South Africa* survey found that only 27% of respondents had a for-profit legal form, though 8% did report having a hybrid structure. In contrast, the UK *State of Social Enterprise Survey 2017* found that almost half of respondents had assumed a for-profit legal form. This echoes my experience. South African social enterprises are primarily emerging from the non-profit sector and learning how to build robust businesses and revenue streams.

Please comment on South Africa's lack of a policy or legal framework for social enterprises.

Firstly, the Economic Development Department, supported by the International Labour Organisation, is busy developing a social economy strategy for South Africa, which will address this issue. Secondly, social enterprises are covered by, and benefit from, much of the existing policy framework for businesses and NPOs. The existing framework already provides lots of opportunities for social enterprises that know how to navigate it.

How should an NPO determine whether to start, or transition, into a social enterprise?

I believe all NPOs would benefit from becoming more entrepreneurial and applying some business thinking to how they operate. Whether it is possible to adopt the business model of a social enterprise will depend on the specific NPO's situation. Nevertheless, all NPOs that are struggling to overcome the constraints of traditional funding would benefit from cultivating some revenue streams.

What are some of the challenges that an NPO could encounter when transitioning into a social enterprise and where can they find support?

The challenges in what I call the 'journey to social enterprise' include learning how to test the feasibility of business ideas, market oneself and shift one's mindset and organisational culture to be more entrepreneurial and performance-orientated. Fortunately, there are a multitude of support services for social enterprises. I'm most familiar with the work of the Social Enterprise Academy, Bertha Centre for Social Innovation and Entrepreneurship at UCT and Network for Social Entrepreneurs at GIBS.

What type of finance can be accessed by social enterprises for start-up, scaling and growth?

Accessing finance has nothing to do with whether an organisation is a social enterprise, but rather whether it has a sound and financially viable business model, and can provide convincing evidence of these. Banks worry more about financial risk than social impact. Social enterprises should accept that they get no special privileges; they must compete with businesses to get loans and investment.

Should companies support social enterprise? If so, should this be done through the CSI function or another area?

Yes, I believe companies should support social enterprise as a means to enhance their social impact. How this is done will depend on the type of work that the company and social enterprise is doing. Support can come in the form of a donation from the CSI budget, sponsorship from the marketing budget, purchasing from a social enterprise via the procurement department, providing support through an enterprise development programme or even bringing the enterprise on as shareholders.

What are some of the benefits and challenges for companies when supporting social enterprise?

In addition to the benefits of using them as suppliers, a company would be supporting a new approach to achieving social impact – one that does not depend on a constant stream of donor funding for an organisation to survive. The biggest challenge is for companies to realise that the majority of social enterprises in South Africa are very small and need business support, finance and market access in much the same way that a for-profit entity would. Social enterprises sustain themselves by adopting solid business principles.

MARCUS COETZEE

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Eskom Development Foundation walking the talk in CSI

On Tuesday, 4 September 2018, on the back of Statistics South Africa's (Stats SA) announcement that the gross domestic product (GDP) had decreased by 0.7% in the second quarter of the year, our economy officially went into a technical recession. This followed hot on the heels of the GDP's 2.2% contraction in the first quarter. A recession was therefore inevitable considering the two consecutive quarters where the economy had experienced negative growth.

In recent months, our currency (the rand) has been struggling against major currencies and news of a recession would've made things worse. The knock-on effect of these major economic developments on the ordinary man on the street cannot be scoffed at. For one, the petrol price, which fluctuates based on the performance of the volatile rand amongst other factors, has seen its upward spiral directly translating into pain at the pumps for consumers with increase after increase every month.

Based on these latest events, one can safely deduce that our economy is not in the best of shapes, and that is putting things mildly. If you are of course invested in the exact form of the economy's shape and look even closely at what is happening, you'd be forgiven for falling into immediate and acute depression. Not to sound alarmist or extreme but things are bad. At 27.2%, the unemployment rate is at its highest since the dawn of democracy. More than half of the population is living in poverty. All these contribute to other social problems, more especially crime, of which the latest figures paint a gory picture of our country.

It is safe to say we are down and out, from an economic point of view. There is a positive however, and whether you have a glass half-full or half-empty disposition, you have to agree that the only place you can go when you are down is up. So we can and have to start working towards our recovery and taking the steps that will help our economy to come back strongly. Our ailing economy is the giant pink elephant in the room, and it's there for all to see. Everyone has role to play in this fight – individuals, social groups, government and business should all get involved in this quest for a turnaround.

Big organisations should start being robust in putting their money where their mouths are, in as far as contributing to socio-economic development is concerned. Corporate social investment (CSI) has become a necessity rather than a nice to have. CSI needs to be strategic in its planning, targeted in its approach and it needs to answer some of the questions that society battles with on a daily basis and come up with the answers. It does not just need to be solutions-driven, but the answers need to be sustainable and leave a lasting effect with its echo being seen or felt by people who'll have no idea where it came from.

If we are to see the kind of inclusive economic activity we aspire to, we all need to do our bit when and where we can. One organisation doing a small bit will not make a difference but many organisations all doing their bit will go a long way and make a noticeable difference.

In 1989 Eskom began its involvement in community development. This started with a few projects that sought to give assistance to previously disadvantaged children through bursaries, early childhood development, and school food security and vegetable growing projects and competitions. Eskom's work in this space grew and continued for almost a decade until the organisation took things to the next level. The watershed moment came in 1998, with the official establishment of the Eskom Development Foundation, a non-profit, wholly Eskom-owned subsidiary, tasked with overseeing and implementing the organisation's CSI strategy in sectors including enterprise development, education, healthcare, social and community development.

The Foundation continued the work that had been started earlier. Over time, the organisation also formed strategic partnerships with other like-minded organisations to help accelerate the realisation of its objectives. To this day, the Foundation has been running various programmes that are dedicated to the improvement of life for ordinary South Africans.



www.eskom.co.za

Contractor Academy

Growing sustainable business

Through the *Contractor Academy*, which was established in 2007, the Foundation equips small business owners with the necessary skills they need to build successful and sustainable businesses. The academy combines theoretical and practical work, where students attend a residential study school for a week every month over eight months. By using the academy to empower entrepreneurs, Eskom is contributing to boosting much-needed economic activity around the country. The academy boasts a 97% pass rate with a 60/40% male and female representation and 51% youth.



The *Simama Ranta* Entrepreneurship Education Competition, which is run in collaboration with Education with Enterprise Trust (EWET), encourages entrepreneurship education in South African high schools. It identifies and celebrates schools that are excelling in teaching their learners how to become entrepreneurs using practical enterprise clubs in their schools, and responding to their communities' needs. Eskom sees encouraging the youth to consider entrepreneurship as a viable career choice as one of the best ways to fight poverty and unemployment. The competition rewards the schools with cash prizes that they can use to grow their enterprises.

Overall winner of the *Simama Ranta* Entrepreneurship Competition ▶





Since 2009, the Eskom *Business Investment Competition (BIC)* has been recognising and rewarding small and medium enterprises (SMEs) that are significantly contributing to growing the economy by creating jobs. The competition is open to local, black-owned and registered enterprises that have been operating for more than 24 months in key economic sectors. The BIC has been helping SMEs to grow with the financial rewards, training and networking opportunities that it provides.

◀ Overall winners of the Business Investment Competition.



In partnership with Reed Exhibitions, the Eskom Foundation runs the *Small Business Expo (SBE)*. At SBE SMEs as well as all finalists from the BIC and Simama Ranta competitions showcase their businesses to the public. The expo aims to stimulate entrepreneurship and contribute to the development of SMEs by giving them a platform to build awareness about their products/services and engage with potential customers and investors.





DEVELOPMENT SECTORS

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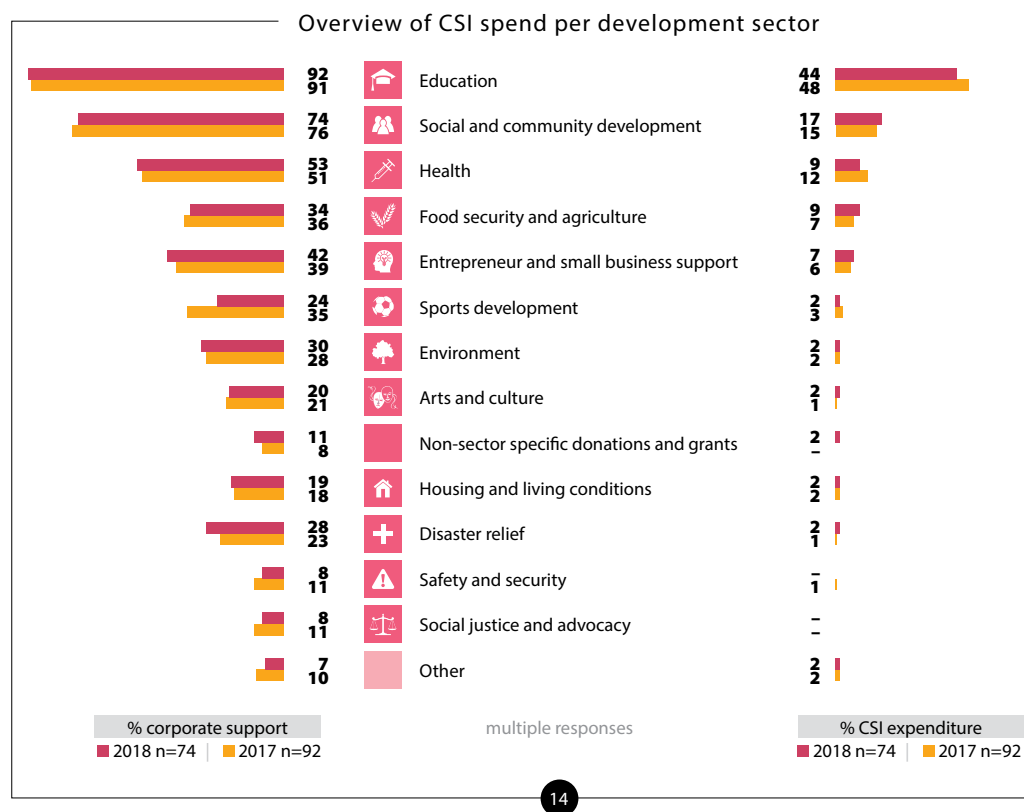


CHAPTER TWO

An overview of the national context, fiscal and CSI support, as well as topical issues affecting 12 development sectors.

Support for development sectors

This chapter provides an overview of the national context, fiscal and corporate social investment (CSI) spend, as well as topical issues affecting each of the 12 development sectors profiled. CSI spend is based on data from the 74 large companies that participated in Trialogue's primary research survey.



- **Education** was supported by over 90% of companies and continued to receive nearly half of CSI expenditure, despite experiencing a slight decrease, from 48% in 2017 to 44% in 2018.
- **Social and community development** continued to be the second most popular sector, with 74% of companies supporting it and receiving 17% of CSI expenditure.
- **Health** was supported by over half of companies, but experienced a drop in share of CSI expenditure, from 12% in 2017 to 9% in 2018.
- Support for **entrepreneurship** (42%) and **disaster relief** (28%) increased, while support for sports development (24%) decreased.
- **Social justice and advocacy** was added to the survey in 2017. It was supported by fewer companies in 2018 (8%), compared to 2017 (11%), and again received less than 1% of CSI expenditure.



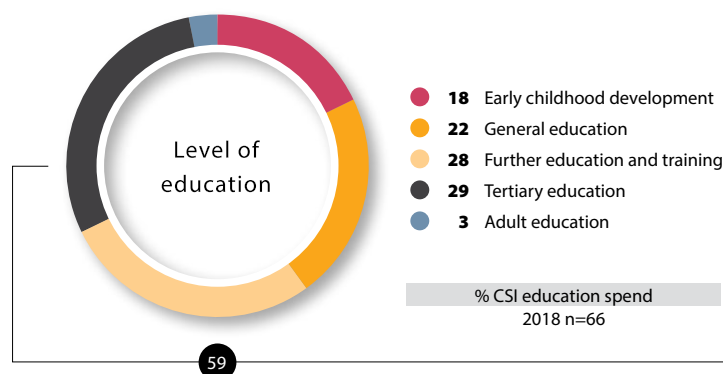
Education

National context

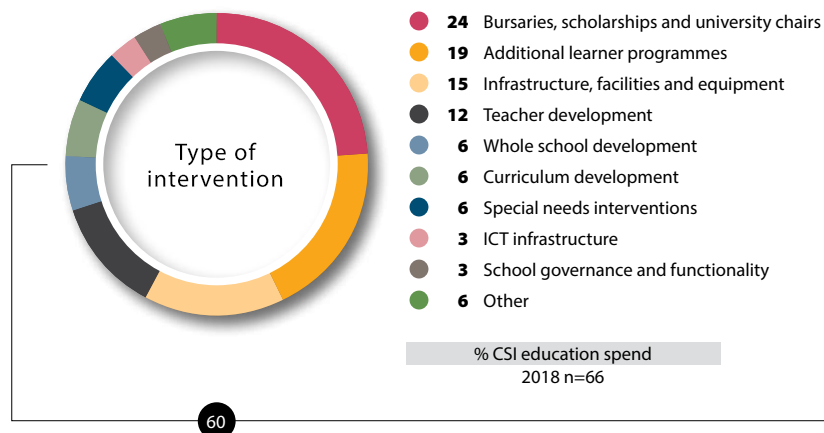
- Government's spend on education increased from R323 billion in 2017 to R351 billion in 2018, constituting 21% of the R1.67 trillion total national budget for the year. The lion's share (R230 billion) was allocated to basic education, R35 billion went to university transfers and R23 billion to the National Student Financial Aid Scheme. Technical and Vocational Education and Training (TVET) received R11 billion.
- According to the 2016 *Progress in International Reading Literacy Study*, 78% of grade four learners in South Africa cannot read for meaning, compared to 4% internationally. South Africa ranked last out of 50 participating countries.
- *The Global Competitiveness Report 2017–2018*, published by the World Economic Forum, ranked South Africa 128 out of 139 countries for the quality of maths and science higher education.
- The National Senior Certificate pass rate increased from 72% in 2016 to 75% in 2017.
- According to the *National Education Infrastructure Management System January 2018* report, 8 702 (37%) of the 23 471 public schools that were included in the research had pit toilets. However, the Department of Basic Education's rapid audit report stated that there were 5 779 schools with pit toilets. This report was produced at the President's instruction after yet another student drowned in a pit toilet at an Eastern Cape primary school in March 2018. Social justice organisations Equal Education and SECTION27 questioned the likelihood of 2 923 pit toilets being eradicated within the span of just three months, calling for reliable and accurate information in order to inform an efficient and effective school sanitation implementation plan.
- A 2015 *Performance and Expenditure Review* commissioned by National Treasury found that only 2% of students studying for a national vocational certificate (the matric equivalent of theory and practical experience in a vocational field) completed the course in the minimum three-year period. The Commission of Inquiry into Higher Education and Training attributes these poor results to underfunding which severely impacts the capacity, quality, staff ratios, infrastructure maintenance, research, basic provision and transformation at TVET colleges.
- The Department of Higher Education and Training's *Investment Trends on Post-School Education and Training in South Africa* report, released in 2018, showed that only 30% of students that registered for four-year undergraduate degrees in 2012 finished in the allocated time.

Overview of CSI spend

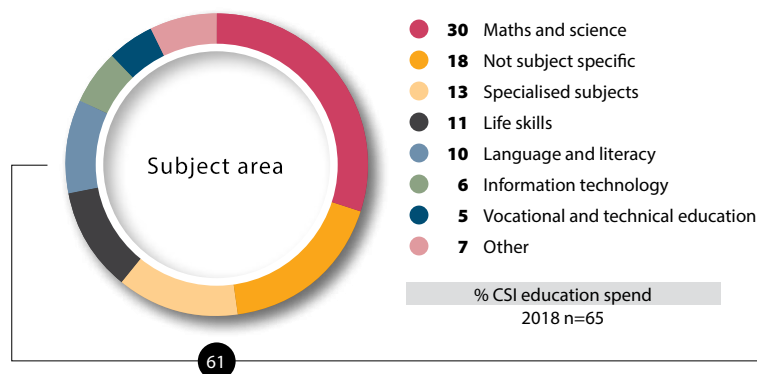
Education was supported by 92% of companies and received 44% of CSI expenditure in 2018.



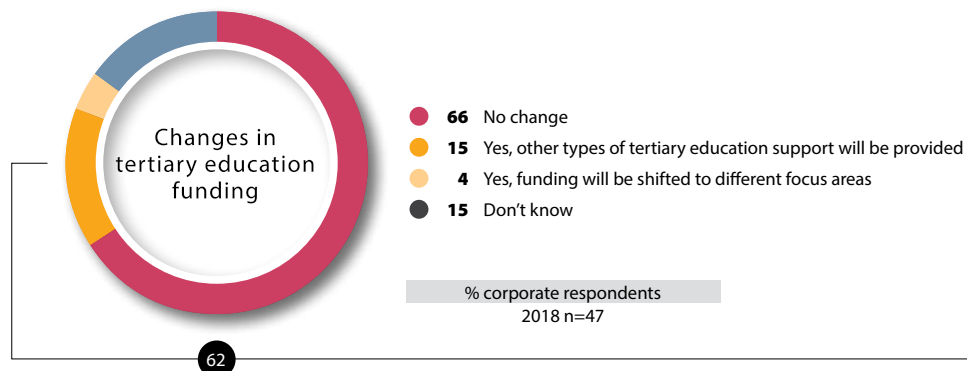
- **School-level education** (general education plus further education and training) received 50% of education spend.
- **Tertiary education** received 29%, down slightly from 31% in 2017, and **early childhood development** received 18%, in line with the 17% of education spend in 2017.



- **Bursaries, scholarships and university chairs** continued to be the most popular type of education intervention, receiving 24% of education spend.
- **Infrastructure, facilities and equipment** received 15% of education spend, the largest drop, from 21% in 2017. This may be due to the introduction of the ICT infrastructure category in 2018, which received 3% of support.
- **Whole school development** was also a new category in 2018 and received 6% of education spend.



- **Maths and science** continued to receive the most support, increasing from 27% of education spend in 2017 to 30% in 2018.
- **Language and literacy** received only 10% of education spend, despite the recent findings that eight out of 10 children in grade four could not read for meaning.



- Corporates that were funding tertiary bursaries were asked whether their funding would change because of government's announcement that tertiary education would be free for students from poor households. Most companies (66%) anticipated no change.

■ See 'How corporates can support access to tertiary education' on pages 190–193.

Topical: Supporting access to higher education

In response to the #FeesMustFall student protests that gained momentum in 2015 and 2016 and garnered international media attention, then president Jacob Zuma established the Commission of Inquiry into Higher Education and Training ('Fees Commission') to determine the feasibility of state-provided free education in institutions of higher learning.

The Commission concluded that, given the strained economy, the state could not afford free education for university students, but recommended that students receive funding through commercial bank loans, guaranteed by the government, which would be repaid when graduates reached a minimum income threshold, and that TVET should be free. The Commission also recommended that the R50 billion surplus in the Unemployment Insurance Fund go towards developing the infrastructure of TVET colleges and that the National Student Financial Aid Scheme (NSFAS) be used to fund TVET student needs.

However, Zuma bypassed these recommendations when he announced in December 2017 that the government would provide free higher education to poor and working-class students, and that registration fees would also be waived. NSFAS would provide funding to first-time students from households with a combined annual income of up to R350 000 who were enrolled at South African TVET colleges or public universities. Returning students would still receive their funding through NSFAS. An additional R57 billion was allocated to fund free education over the next three years and the National Skills Fund was allocated R3.4 billion in 2018 to add to skills training in community centres and TVET colleges.

Following this announcement, during the four-month application period for 2018 funding, NSFAS received more than 410 000 applications (259 000 for university funding and 151 000 for TVET college funding) from students entering institutions of higher learning for the first time. Of the 259 000 university funding applications, 204 000 met NSFAS funding criteria and 112 000 confirmed university registration. Of the 151 000 applications for TVET college funding, 138 000 met the NSFAS funding criteria and 83 000 confirmed college registration. In total, NSFAS funded 195 000 students at public universities and TVET colleges for the first time, and 174 000 university and 46 000 TVET college students who were continuing their studies and did not have to reapply for funding in 2018.

"There has been an increase in students requiring financial assistance since the announcement (by Zuma) and we had to adapt. This we had to do whilst still dealing with legacy issues at the institution. We are now faced with a challenging new environment. A lot more students apply than there are available places at universities and other tertiary institutions. The capacity is simply not enough," said Sizwe Nxasana in his capacity as NSFAS chairperson. Under instruction from the minister of higher education, Naledi Pandor, funding for 2019 students was halted due to a backlog in the disbursement of funds for 2017 and 2018. In August 2018, Nxasana resigned as chairperson, saying in an interview that it was time to move on and make way for new leadership.

While government finds ways to provide free education that will remove the access barrier for hundreds of thousands of young South Africans, emphasis must also be placed on ensuring that students from disadvantaged backgrounds receive wraparound support to ensure that they are able to complete their studies. The Council of Higher Education's *VitalStats: Public Higher Education, 2016* report found that a third of students that enrolled in 2011 had dropped out by 2016. Reasons for this high dropout rate included the inability to cope with the curriculum, the lack of support available to first-generation students expected to assimilate to institutional cultures that alienated them, and severe financial constraints which include little or no food security and accommodation.

As Dr Thashlin Govender of the Michael & Susan Dell Foundation in South Africa opined in *Fee-free education isn't enough*, featured in the Mail & Guardian in March 2018, "in this time of transition and uncertainty, it is premature for any funder to change strategy, pull out of funding higher education or shut down their programmes. On the contrary, students still need our support to make it through university and on to successful careers." Funders of tertiary education should be considering their medium to long-term funding strategies, including the options of shifting funding from fees to support services that improve the throughput rate of tertiary students, or to alternative levels or types of education support. ■

Despite significant public and private investment in education each year, poor performance of learners in South African public schools remains an enormous challenge, which is well documented. Access to reliable and relevant evidence-based insights on the drivers of poor performance has been a major constraint to the improvement of learner outcomes. These insights are imperative for informing interventions to address key issues in the public school system, which educates nearly 12.5 million learners across more than 24 000 schools.

New Leaders Foundation (NLF) partnered with the Michael & Susan Dell Foundation to support the Department of Basic Education (DBE) to improve the way education data is collected and used to help learners succeed, resulting in the launch of the Data Driven Districts (DDD) Programme in 2013. The FirstRand Empowerment Fund joined the effort in 2016 as a co-funder to support the roll out. The DDD Programme is a systemic intervention which aims to embed a data-driven decision-making culture into the education system.

Central to the programme is the DDD Dashboard, which is an intuitive web-based tool that collates and visualises learner performance information that schools capture on the South African School Administration and Management System (SA-SAMS) or third-party information systems. As of October 2018, the DDD Dashboard represented 11 million out of the 12.5 million learners and had over 4 400 repeat users – from principals to district directors.

Provinces - 6

Name	School Count	Learner Count	Learner Attendance	Educator Attendance	Task Marks	Report Marks Pass Rate	Exam/Test Pass Rate	Promotion
Eastern Cape	5312/5533	1 827 005	97%	96%	99%	78%	73%	83%
Gauteng	2424/3031	2 145 831	94%	95%	95%	83%	78%	84%
KwaZulu-Natal	4975/6178	2 319 990	96%	95%	99%	79%	75%	86%
Limpopo	3783/3985	1 660 069	99%	97%	99%	77%	70%	80%
Mpumalanga	1795/1844	1 086 345	97%	96%	98%	78%	74%	83%
North West	1452/1568	805 505	96%	95%	98%	79%	73%	83%

Screen shot of the DDD Dashboard indicators at a South African level

Through a controlled user management process, aligned to the Protection of Personal Information (PoPI) Act, education officials at all levels can access this data to design data-driven interventions that can ultimately lead to improved learner outcomes across the school system.

EXAMPLES OF HOW THE DDD DASHBOARD HAS BEEN USED TO DRIVE SCHOOL IMPROVEMENT

Do teachers really know what their learners are struggling with?

With access to the DDD Dashboard, educators have detailed learner performance information at their fingertips which can be used to identify problem areas which educators can address.

Grade three educator Clarissa Abrahams noticed that her class was underperforming in mathematics. She was unsure if the issues were related to data handling, measurement, or specific number operation topics in mathematics. By using the DDD Dashboard, she was able to see trends and pin-point the common areas where her learners were underperforming. She also found that some underperforming learners were absent from school more often than their peers. With this information she was able to bring the other grade three educators together to strategise specific interventions. An attendance improvement strategy was implemented, and the educators now monitor progress and impact over time on the DDD Dashboard.



Clarissa Abrahams, Educator

How do districts prioritise school support?

Districts use the DDD Dashboard to plan their school visits and allocate appropriate support to schools following a needs-based approach, especially given the limited district resources and large school load.

Mohatsi Mothebe is a District Director from Xhariep in the Free State province, a semi-rural area with vast distances between each town. Part of his role entails conducting school visits, which often involves driving between 75km and 200km to reach a school. When planning school visits, Mothebe uses the DDD Dashboard to get a 'bird's-eye view' of which schools to visit, what to investigate and who to engage; which not only saves him time, but also provides better context for the school visit.

Our top-performing districts are districts that are data-driven.

Mr Enver Surty, Deputy Education Minister



The DDD Dashboard is the most effective management tool that I have used in my 37 years in education.

Mr Mohatsi Mothebe, Xhariep District Director



SCHOOL IMPROVEMENT

What is the system doing for high-performing learners?

The DDD Dashboard provides education officials with a variety of insights to inform the right programmatic support for all their different districts, schools and learners.

In contexts where support is needs-based, high performers are typically neglected. However, this is not the case in Vhembe – the best-performing district in Limpopo for three consecutive years and the producer of 25 of the 56 learners that received provincial-level merit awards in 2017. Vhembe District's Curriculum Implementation and Management Unit established the In Pursuit of Excellence programme in 2016, which is a learner performance intervention programme that seeks to support high-performing learners to become top achievers. The objective of the programme is to identify and develop content knowledge gaps in high performers, to ensure that they perform extraordinarily well. With more than 560 learners participating from across the Vhembe District, the intervention team uses the DDD Dashboard to more accurately select these learners and track their performance after intervention activities. The use of the DDD Dashboard has also enhanced the ability of district officials to assess the standards of teaching and to inform the appropriate support to be provided by subject advisers.

MOVING FORWARD

The data support can be used in many ways to drive change and improve the effectiveness of interventions in schools. To increase the DDD Dashboard usage and build evidence-based decision-making in the education system, the DDD team is driving two strategic opportunities:

1. Collaboration

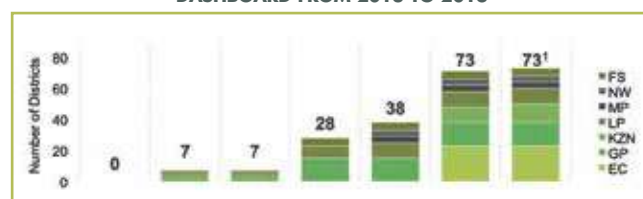
In 2017 the DDD Programme introduced a Partnerships stream to support other organisations working in basic education, by providing them with access to the DDD Dashboard, training and, in some instances, analytical support. The National Education Collaboration Trust (NECT), for example, has started

using the DDD Dashboard for its national district programme. NGO education programmes across the sector can benefit by integrating aspects of the DDD tool-set to improve the efficiency and effectiveness of their interventions.

2. Analytics

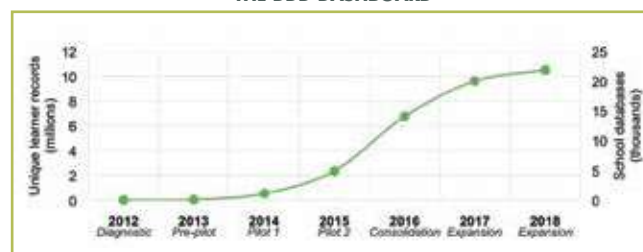
The Learner Intervention Planning report – the latest innovation available on the dashboard – uses predictive analytics to identify learners that are likely to fail and segments these learners by degrees of likelihood to inform prioritisation. It helps officials know whether the problem is at a subject or individual learner level. The team is also investigating an early warning system for school dropout, to inform prevention efforts. Many more insights are yet to be unlocked from this vast data resource and analytics capability will become an increasingly critical tool in the basic education sector.

INCREASE IN DISTRICTS WITH ACCESS TO DATA AVAILABLE ON THE DASHBOARD FROM 2013 TO 2018



¹ Approximately 57 after the rationalisation of districts from 86 to 70

CHANGE IN SA-SAMS DATABASES AND LEARNER RECORDS ON THE DDD DASHBOARD



Data reach:

The DDD Dashboard covers 21 843 schools across seven provinces and displays data of over 11 million learners to date. This data of more than 85% of public school learners in South Africa is available to the education sector at the click of a button.



Data submission:

Data collection is faster and more regular than ever. In 2018 more than 8 000 schools submitted data on a weekly basis.



Data completeness:

The average data completeness score was over 96% in 2018 Term 3 for the prioritised indicators on the Dashboard.



Active users:

The number of active users is increasing year-on-year from 5 545 in 2017 to 8 814 in Quarter 3 of 2018.

Usage depth:

Users are becoming more data-driven. The total number of reports downloaded from the DDD Dashboard increased by 70%, from 36 752 in Quarter 3 of 2017 to 62 559 in Quarter 3 of 2018.

Stakeholders in the education sector can now leverage the DDD Dashboard, associated data and practices in collaboration with the DBE to monitor and improve the effectiveness of their programmes. For more information about the DDD Programme please contact Peter Searle (Partnerships Lead): partners@newleaders.co.za

National collaboration for improved education

Aligned with the goals of the National Development Plan (NDP), the National Education Collaboration Trust (NECT) is committed to ensuring that 90% of learners in South Africa pass maths, science and languages with at least 50% by 2030. **Godwin Khosa**, CEO of the NECT and long-time education specialist, shares some of the lessons learnt from the organisation's five years of operation, with particular emphasis on interventions at a district level and the importance of multifaceted programming.



What is the key objective of the NECT?

The NECT offers a systemic approach that mobilises the untapped capacity outside of government to respond to the NDP to ensure the equitable delivery of quality education to all children in South Africa. The organisation was started in 2013 and now has financial and programme support from about 30 corporates.

What does the NECT's District Improvement Programme aim to achieve?

The programme, which commenced in 2015, aims to improve learning and teaching processes, as well as support provided to schools by the district office. The five focus areas of the programme are teacher professionalisation, which includes curriculum management; school leadership and management; district functionality improvement that works with subject advisers and circuit managers to support school management; community and parent involvement; and learner welfare and support.

What are the key findings in terms of improving education at a district level?

The programme was piloted in 415 schools, across eight districts and resulted in an increase in curriculum coverage of up to 30%. Elements of the programme have since been scaled up to 61% of the schooling system.

The district is the crucial entry point. Their buy-in is essential to ensure that programmes run effectively. A multifaceted approach is also needed to improve learner outcomes.

Thus, the five focus areas of the District Improvement Programme are continuously tested and, where appropriate, interventions are scaled.

What have been some of the organisation's greatest lessons?

In the education sector, there is a significant structural issue in which curriculum and school management sections operate in silos. We are working hard to increase alignment between the two, to focus on the shared goal of quality teaching and learning. There is also a disjuncture between policy and implementation which happens because of varying interpretations. The result is that teachers, heads of departments, principals, district officials, curriculum specialists and education experts are not necessarily speaking the same language.

The NECT is focused on creating a national common discourse through our learning programmes to ensure alignment from school level all the way to national level. It is essential that anyone working in the sector works through the Department of Basic Education (DBE) and understands the scope of challenges. Unions have the potential to make significant positive impact in the sector through their influence and member loyalty. They should be supported to build their leadership capacity and utilise their capacity to not focus only on labour issues, but educational issues as well. The NECT has partnerships with the two largest unions – the South African Democratic Teachers Union and the National Professional Teachers' Organisation of South Africa – in collaboration with the DBE, to support this goal.

Taking all stakeholders along with you on your journey is key. Although there is a need to work at speed, the NECT is pedantic about including stakeholders and running consultative processes with our programmes. It is one of the key elements of our success.

What should corporates aiming to improve education invest in?

Currently, literacy is the country's biggest challenge. Being able to read with understanding is a crucial skill that learners must have if they are to access the broader curriculum. The NECT is in the process of establishing a national reading coalition, which aims to support and build on current reading interventions through a national coordinated effort with all stakeholders.

How can corporates and NPOs support the work of the NECT, financially and non-financially?

Financially, corporates can invest in our core programming or support those that are most aligned with their developmental goals. From a non-financial perspective, they can work to garner support for and awareness of some of the challenges that we aim to address. They can also volunteer to serve on our district steering committees. These multi-stakeholder district-level compacts depend on active citizenry.

GODWIN KHOSA

CEO of NECT

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www.nect.org.za



Liberty invests in the development of education

Liberty is a recognised South African insurance and investment business. For over 60 years we have created value for investors by meeting customers' financial needs through developing and delivering appropriate insurance and investment products and advisory services.

Our purpose is improving people's lives by making their financial freedom possible!

We recognise that education is the cornerstone of economic development and a means of empowering communities, as well as reducing inequality and poverty. By addressing specific educational shortfalls in partnership with selected educational institutions and non-profit education organisations, we strive to create opportunities for future employment and contribute to building a thriving economy.

Annually we spend over R30 million towards initiatives aimed at the development of education in and around South Africa. Our corporate social investment (CSI) strategy is focused on the development of maths, science and literacy in previously disadvantaged communities.

Our CSI strategy aims to address educational needs at critical learning stages, beginning with support and later linking to our core business objective. Although we have not yet reached that point, we have significant presence in primary, secondary, tertiary and post-tertiary education platforms and do our best to absorb individuals or link them to the correct institutions to support their career prospects.

We have a centralised approach to community involvement, with flagship initiatives managed in partnership with like-minded organisations. We know that impact is not measured by investment alone, but rather by the lives changed.

Inspiring employee volunteerism

Our employee volunteerism programme *RolledUpSleeves* is aligned to our CSI's strategic objectives of promoting the development of education in South Africa. The volunteerism programme has made remarkable strides in encouraging employees to be active corporate citizens. Through the various initiatives available, employees have managed to create a huge impact over the last year:

- **More than 600** active registered employees are on the *RolledUpSleeves* Forgood volunteerism portal. The aim of the portal is to connect employees to needy organisations and enable a social marketplace where skills, goods, services and information can easily be exchanged between employees and non-governmental organisations (NGO).
- a) **The Winter Shoe Drive**, which sees employees pledge R150 or more annually towards a pair/s of school shoes for children from previously disadvantaged communities. The campaign has seen employees pledge over 2 000 pairs of shoes, which were donated to 22 primary schools in nine provinces.

- b) **The International Nelson Mandela Day**. In an effort to help combat the surge of hunger we use the Nelson Mandela Day to rally over 1 000 employees to pack meals to feed children from previously disadvantaged communities. The packed meals are distributed to early childhood development centres (ECD) in townships across South Africa. The meals have helped to feed about 800 children for five days a week for an entire year.

- c) **Refurbishment of school libraries**. Reading is a vital part of the learning process both in and out of the classroom. Libraries can improve literacy and because literacy is core to educational success, we saw it fit to support this initiative and create an environment where learners can enjoy engaging their imaginations in the world of literature. Four school libraries were newly refurbished.

These are some of many ways we and our employees are Rolling Up Our Sleeves in order to help change realities in the communities where we operate.

SHARED VALUE CREATED THROUGH OUR CSI PROGRAMMES:

Over 200 000 learners reached > through the Liberty-funded South African Maths Olympiad

Over 16 000 learners reached > through the secondary school financial literacy programme facilitated by Primestars

Over 900 learners reached > through the Liberty-funded maths and science tuition programme facilitated by Kutlwanong for maths, science

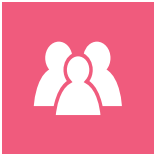
Over 700 learners from ECD centres across South Africa received packed meals to feed them for five days a week for an entire year

Over 20 students supported > through bursaries in partnership with Thuthuka, SAADP and other like-minded organisations

Four schools in Gauteng benefited from newly refurbished libraries facilitated by School Aid South Africa



LIBERTY



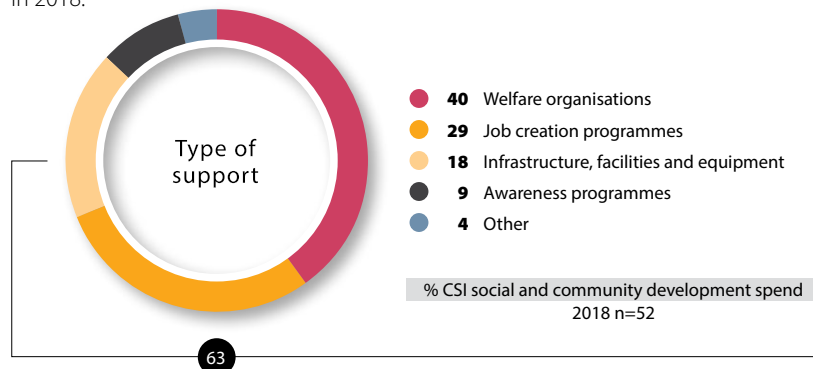
Social and community development

National context

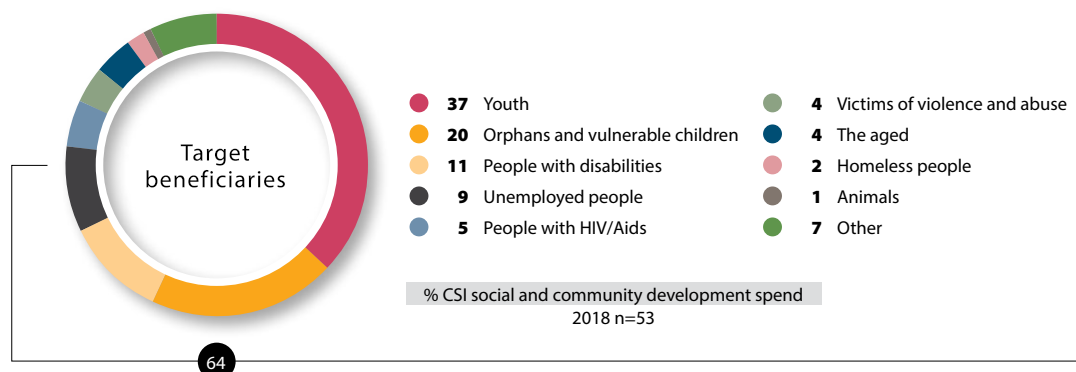
- Government's spend on social development increased from R235 billion in 2017 to R259 billion in 2018, constituting 15% of the total national budget. The majority of the social development budget was allocated to old age grants (R70 billion), social security funds (R66 billion) and child support grants (R60 billion).
- The old age, disability and child support dependency grants increased from R1 600 per month in 2017, to R1 700 in 2018. The child support grant increased from R380 to R410 per month.
- Statistics South Africa (Stats SA) 2017 data showed that 16.5 million people out of the 51.8 million total population were recipients of social assistance grants.
- According to *South African Child Gauge 2017*, of the 18.6 million children in South Africa in 2015, 17% were orphans who had lost their mothers, fathers, or both parents; 21% did not live with either of their biological parents, and 0.3% lived in child-only households. The report suggests that livelihood strategies, such as leaving teenage boys to look after a rural homestead while parents migrate to work, contribute to these numbers.
- Stats SA's *Quarterly Labour Force Survey, Quarter 2, 2018* found that unemployment rose by half a percentage point from the first to second quarters, to 27%, or 6.1 million people.

Overview of CSI spend

Social and community development was supported by 74% of companies and received 17% of CSI expenditure in 2018.



- **Welfare organisations** received 40% of CSI spend on social and community development, up from 35% in 2017.
- **Infrastructure, facilities and equipment** decreased from 25% in 2017 to 18% in 2018.



- **Youth** continued to receive the most support and experienced a considerable increase, from 30% in 2017 to 37% in 2018.
- **Unemployed people** received just 9% of social and community development spend, down from 13% in 2017 despite the national unemployment crisis.

Topical: Addressing youth unemployment

According to Stats SA, of the 10.3 million young people aged between 15 and 24 years, 32% – approximately one in three young South Africans – were not in employment, education or training in the first quarter of 2018. Expanding the definition of youth to 15 to 34 years, Trading Economics reports that the youth unemployment rate in South Africa averaged 52% between 2013 and 2018.

Government-led programmes

The Expanded Public Works Programme (EPWP), launched by the Department of Public Works in 2004, employs workers for short-term, temporary or ongoing projects with government, state-owned enterprises, contractors and non-governmental organisations, providing an important source of labour absorption. The programme is specifically aimed at those who are unemployed, unskilled and aged between 16 and 35 years. Government partners with various education and training authorities and companies to upskill programme participants. The EPWP aimed to create six million jobs for the 2014 to 2018 period. It has created around three million work opportunities in the past five years.

The Employment Tax Incentive Act (previously known as the Youth Wage Subsidy) was introduced in 2014 to incentivise the employment of inexperienced and untested young workers. A tax subsidy is paid to eligible employers for the first two years that a new and qualifying candidate below 30 years is employed, with the size of the subsidy dependent on the worker's earnings. According to the Employment Tax Incentive Act (ETI) website, 270 000 young people have been employed by 29 000 companies under the scheme. The ETI was originally planned to run until December 2016 but has been extended until February 2019.

The Jobs Fund – an initiative of the National Treasury – was launched in 2011 with the aim of forming partnerships through grant funding, with public, private and civil society organisations, on projects that significantly contribute to job creation. The Fund focuses on supporting projects that use innovative models for creating jobs. By August 2018, 116 projects had been approved; R6 billion in grant funding had been allocated; 109 270 new permanent jobs and 42 545 short-term jobs had been created; 46 892 vacant posts had been filled; and 223 272 people were in training.

Private sector contribution

The private sector has a crucial role to play in helping to address youth unemployment. Companies should consider taking advantage of the ETI by employing more youth in internships, learnerships or permanent positions. Employers can review their recruitment criteria, or partner with organisations like Harambee – a youth employment accelerator that connects employers who are looking for entry-level talent to high-potential South African youth. Companies can also use their CSI funds to support job creation and job placement programmes. According to the National Development Plan, 90% of the jobs that need to be created by 2020 will be generated through small businesses. By supporting small, medium and micro-sized enterprises (SMMEs) and leveraging enterprise development initiatives, companies can indirectly assist in creating a vast number of jobs.

The *Youth unemployment: what can we do in the short run?* report recommends that companies consider lowering appointment criteria for jobs that don't require high skill levels; that government and business work to address spatial and transport problems that limit access to central business districts; and that support is provided to non-profit organisations and social programmes that help young people to create social networks that can expose them to work opportunities.

The CEO Initiative, created in 2016 as a collaboration between business, labour and government, received an initial R1.5 billion investment from corporates for the development of SMMEs, with the ultimate goal of capacitating these SMMEs to create new jobs.

The Youth Employment Service (YES), supported by the **CEO Initiative**, was launched by President Cyril Ramaphosa in early 2018, with the goal of creating one million jobs in three years. This business-led collaboration with government and labour aims to stimulate demand-driven job creation through company investment and by leveraging existing government initiatives such as the ETI and Broad-Based Black Economic Empowerment (BBBEE) Codes of Good Practice. Since mid-2018, companies that meet the YES requirements are able to move up one or two BBBEE recognition levels. YES aims to place unemployed youth in year-long work experiences and training opportunities, develop critical skills – particularly in digital, business literacy administration and innovation – and to develop SMMEs in townships, through YES Community Hubs. ■

FIRSTRAND VOLUNTEERS SUPPORT EDUCATION, PEOPLE WITH DISABILITIES AND NUTRITION

The FirstRand Volunteers Programme facilitates and supports the involvement of the group's employees in their communities, supplying the means to facilitate this interaction.



The programme, aimed at employees from FirstRand businesses FNB, RMB, WesBank, Ashburton Investments and the FirstRand Corporate Centre, was launched in 2003.

"We aim to keep our initiatives simple, fun and, more importantly, relevant and impactful," says Desiree Storey, Manager of the FirstRand Volunteers Programme.

During the year to June 2018, employees across the group donated over R11 million in both time and money to partner organisations. Activities over the past year have focused mainly on education, youth development and nutrition.

The annual school education drive assisted employees with financial support for under-resourced early childhood centres (ECD), primary schools and high schools in their communities. Teams from 120 business units qualified for the programme grant to support their chosen school, resulting in a cumulative R1.2 million donation to uplift the education sector.

Teams assisted their chosen schools with the purchase of school shoes, uniforms, library books, stationery, sports equipment, educational toys for crèches, female hygiene products, winter jackets, nursery school in a box kits,

school bags, mathematics kits, office chairs, office admin equipment, interactive white boards, catering for tutoring sessions, fans in classrooms and new equipment for cooking classes. They also helped erect libraries and jungle gyms, repair toilets and revamp playgrounds.

Thirty-four organisations which provide support and care for people with disabilities were identified by FirstRand teams. These organisations needed special assistive devices to help individuals in their care to reach their full potential.

FirstRand volunteers donated white canes, talking alarm clocks, talking calculators, braille paper, therapy aids, support rails for minibuses, upgraded security systems, a manual lift, wheelchairs and a wheelchair ramp, learning aids, hearing aids, reading glasses, audiovisual equipment and tablets for communication purposes. They also donated a beauty therapy unit at a special needs school, along with a kitchen, to train disabled students for an NQF level accreditation which could lead to employment.



Mentorship and skills-based volunteering continued to increase in 2018. Employees signed up to mentor grade 10, 11 and 12 learners at under-resourced high schools in Soweto and Westbury. Programme management partners with an NGO, Khulisa Social Solutions, which utilises the financial assistance from FirstRand Volunteers to run a support programme for the mentees at both schools. This programme is now in its third year.



The Volunteers Programme launched a pilot bursar mentorship programme in Gauteng in May. The NGO, Enke: Make It matter, was commissioned to host introduction workshops for FirstRand employees who volunteered to mentor.

Mentors are matched with tertiary bursary students, funded by the FirstRand Foundation, who are attending the University of the Witwatersrand, University of Johannesburg and University of Pretoria. Study Trust and REAP, service providers based at the university campuses, work with FirstRand to provide support for the mentees in this process. The Volunteers Programme partnered with FirstRand's human capital team to match mentors and mentees.

Thirteen FirstRand business leaders signed up for the Symphonia Partners for Possibility leadership programme for the third year running. Business leaders are matched with a school principal for a year-long structured leadership programme to share skills and knowledge to help uplift and improve the day-to-day operations of the relevant schools. The FirstRand Volunteers Programme partners with the FirstRand Learning and Development business units across the five divisions of the group to identify interested senior business leaders.

In celebration of Nelson Mandela's centenary birthday in July, over 2 500 employees in Gauteng, KwaZulu-Natal and the Western Cape packed 410 000 meals in partnership with Rise Against Hunger. This collaborative contribution of employees will feed 1 577 children one meal per day, five days a week for the next year. The meals will be distributed to children in under-resourced ECD centres in the three regions, supported by the NGOs Unlimited Child and SmartStart.

"We aim to keep our initiatives simple, fun and, more importantly, relevant and impactful."

DESIREE STOREY, MANAGER OF THE FIRSTRAND VOLUNTEERS PROGRAMME

Both Unlimited Child and SmartStart are funded by the FirstRand Foundation and offer support to non-centre-based ECD centres by providing high-quality early stimulation, age appropriate toolkits and training for practitioners.

"Early learning goes hand in hand with nutrition, and this partnership with FirstRand Volunteers and Rise Against Hunger ensures that our work that goes into learning through play is a success," says Unlimited Child's Candice Potgieter. "It is a proven fact that nutrition has a direct impact on the child's ability to learn."

All programme initiatives are aligned to the FirstRand business strategy, the FirstRand Foundation strategic fund's focus areas, and the goals and objectives of the 2030 National Development Plan. Feedback surveys and engagements with employees and our non-profit partners are key to the positioning of the programme as we strive for maximum participation each year.



FirstRand
VOLUNTEERS



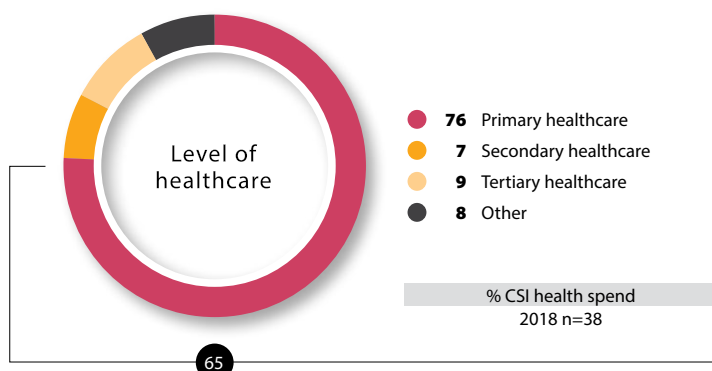
Health

National context

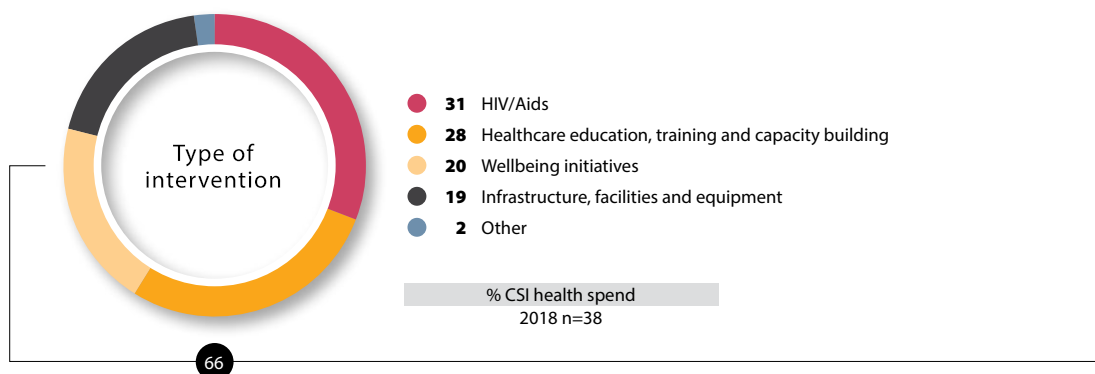
- The national health budget increased from R192 billion in 2017, to R205 billion in 2018, constituting 12% of the total national budget. More than R90 billion was allocated to district health services and R73 billion was allocated to central and provincial hospital services.
- According to Statistics South Africa's (Stats SA) *General Household Survey 2016*, only 17 in 100 South Africans have medical insurance. As many as 45 million South Africans are dependent on public healthcare.
- The same survey found that the Northern Cape spent the most on healthcare in 2015/16, at R4 082 per person, followed by the Western Cape and Free State. Limpopo, the North West and Mpumalanga all spent below R3 000 per person.
- The Office of Health Standards Compliance inspected 696 public hospitals, clinics and community health centres in the 2016/17 financial year. According to its *Annual Inspection Report*, released in June 2018, only five health establishments were found to be compliant; 168 were conditionally compliant with serious concerns; 240 were non-compliant; and a shocking 172 were critically non-compliant.
- According to consulting firm, Econex, in 2013 South Africa had an average ratio of 60 doctors per 100 000 people, compared with the global average of 152 doctors per 100 000 people.
- Tuberculosis, diabetes and heart conditions remain the top causes of natural death in South Africa, according to Stats SA's latest *Mortality and causes of death in South Africa* report.
- *The Fifth South African National HIV Prevalence, Incidence, Behaviour and Communication Survey, 2017*, conducted by the Human Sciences Research Council, reported that approximately 7.9 million people were living with HIV in South Africa in 2017. HIV prevalence among adults aged 15 to 49 years was 20%; among females was 20% and among males was 15%. Among people living with HIV aged 15 to 64 years, 71% were on antiretrovirals.
- According to research from the Institute for Race Relations, new HIV/Aids infections declined by 39% countrywide between 2009 and 2016, from 437 705 to 266 931.
- *The South African Demographic Health Survey 2016* reported that 27% of children under five were stunted – a statistic which has remained largely unchanged in the last 20 years. Affected children experience chronic malnutrition which influences physical growth, brain development, the ability to function at school and in a work environment, and increases the risk of obesity, heart disease and diabetes in adulthood, with an estimated cost of R62 billion per year, according to the *South African Child Gauge 2017*.

Overview of CSI spend

Health was supported by 53% of companies and received 9% of CSI expenditure in 2018.



- **Primary healthcare** (healthcare provided in the community) continued to receive the majority of health spend, at 76% in 2018.



- **HIV/Aids** remains the most well-supported type of health intervention, at 31% of health expenditure in 2018. However, support has dropped significantly since 2010, when it received more than half of health spend.

■ See 'The HIV epidemic is not over' on page 98.

- Out of the 38 companies that supported health initiatives, only three companies – all of which are healthcare companies – contributed to the **Public Health Enhancement Fund**. They reported being generally satisfied with the performance of the Fund.

Topical: Public Health Enhancement Fund

The Public Health Enhancement Fund (PHEF) was set up by the Department of Health and the private sector in 2012 to strengthen and improve public healthcare in South Africa, through increased cross-sector collaboration and the pooling of corporate social investment (CSI) in health. The Fund, which is managed by the private sector, invests in three key projects:

- The expansion of health professionals aims to help alleviate the shortage of doctors and medical specialists by increasing the capacity of training institutions to attract and retain students from disadvantaged backgrounds and rural communities.
- The academy for leadership and management in healthcare is currently on hold due to ongoing discussions about whether the programme should fall under the Departments of Health or Higher Education and Training.
- Support for the training of Masters and PhD students for the combating of HIV/Aids and tuberculosis, by providing scholarships to medical students who want to pursue research into clinical, health systems and biomedical sciences in these fields.

The PHEF website lists 25 healthcare and pharmaceutical partner companies, including Aspen, Bayer, Clicks, Discovery, Mediclinic, Medscheme, Netcare, Pfizer and Roche. Participants are required to contribute 75% of their socioeconomic development spend to the Fund. Participation does not come at an additional cost unless companies decide to exceed their 1% net profit after tax CSI spend. ■

The HIV epidemic is not over

South Africa has come a long way in its fight against HIV and Aids, with the epidemic shifting from a dismal life sentence to a chronic but manageable condition. **Prof Linda-Gail Bekker** talks about the challenge that comes with this shift, as well as why and how the Desmond Tutu HIV Foundation (DTHF) has turned its focus to prevention.



What is the history and mission of the DTHF?

Beginning in 1995, the organisation focused on clinical research into HIV and Aids. It became the DTHF in 2004 and was the first organisation to undertake clinical trials to move new antiretroviral (ARV) therapy into care. As understanding about the scope of the problem grew, the team worked to get treatment into communities. Money was raised to build the first community-based ARV clinic, called the Hannan-Crusaid Treatment Centre. We aim to reduce the impact of HIV and related illnesses in individuals, families and communities. Archbishop Tutu referred to HIV as 'the new apartheid'. In addition to the biomedical and behavioural aspects, we care a great deal about the human rights component, as well as the reduction of stigma surrounding the disease.

How has the developmental response to HIV evolved over the past two decades?

Without a doubt, the miracle has been the development of ARV treatment. It changed the disease from a death sentence to a chronic but manageable condition. We now have to think about the sustainability of keeping millions of people on ARVs.

While we continue to care about quality treatment and treatment access for all, DTHF's current emphasis is on prevention, as well as new solutions to tuberculosis. We have divisions each focusing on a particular group of the population: adolescents and youth, mothers and children, and gay, bisexual and heterosexual men. In the eighties, the approach was simply telling people to abstain, condomise and be faithful, but now we are approaching prevention with more nuance. The prevention innovation pipeline has improved a great deal over the last decade. There are now also pre and post-exposure prophylaxis, microbicides and innovative ways of administering them.

What are some of the key elements of a holistic response to HIV-related diseases and infections?

One cannot take on this epidemic purely as a clinician. It's been extraordinary, as a specialist physician, having to think way out of the box and bring in behavioural sciences, education, traditional and community development specialists, as well as working directly with communities. A multisectoral approach is key. We've really had to learn that if you want to design something for the people, then you need to ask the people what it is that they want.

Years ago, we found that people were coming into HIV care with very low CD4 counts and impaired immune systems. Aiming to reach them sooner, DTHF acknowledged the need to take treatment to the people. The 'Tutu Tester' vehicle emerged from that. It was a bold step to have a rainbow-coloured vehicle going into communities to provide free testing for diabetes, hypertension, tuberculosis and HIV. A decade later, people still queue to access this service. Providing a fleet of these vehicles is where policy needs to go next. The Tutu Tester dismisses the myth that health seeking is low in Africa.

What has DTHF's experience been, working with government and using your research to influence policies in healthcare?

We have mostly enjoyed a productive relationship with government, particularly provincially. The Western Cape Health Department has always embraced innovation. During the 'denial period', we joined hands with civil society to advocate for public access to ARVs. Citing evidence, we pushed ahead to provide excellent care and treatment to as many people as we could, while ensuring that the world was aware of what was going on. In situations like that, it is the job of non-profits to push boundaries, be bold and bring government along in a collaborative way, ensuring that successful innovation influences policy.

Around the new innovation called pre-exposure prophylaxis, for instance, government has been open to hearing about responsible implementation. In the Western Cape we've seen how collaboration between our organisation, a funder and the government can really move things forward. However, getting good science into policy still takes too long and often there are too few pockets of best practice, most of which aren't taken to scale.

How can corporates get involved in supporting healthcare programming and research?

Some corporates have done well. For instance, Anglo American Platinum was one of the first to provide their employees with ARVs and tried to help other communities during a very emotive time when treatment was scarce. There is growing complacency now that treatment is widely available but, sadly, South Africa still has a long way to go because we have the greatest treatment burden in the world.

For the long haul, we need to position HIV within broader healthcare. We need a sustainable model and this is where the corporate sector can play its part by keeping HIV on the agenda, because it affects their workforce. We now have tools to ensure that those with HIV can live long and healthy lives, but we also have tools to prevent onward transmission. Corporates should review their healthcare programmes, what they are doing in the communities that their workforces live in, and how they are supporting organisations that work in this space.

PROF LINDA-GAIL BEKKER

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Mercedes-Benz South Africa driving health and well-being with Trucking Wellness

The transport industry is the heartbeat of our economy. Mercedes-Benz South Africa is driving the industry to health to ensure sustained economic growth.

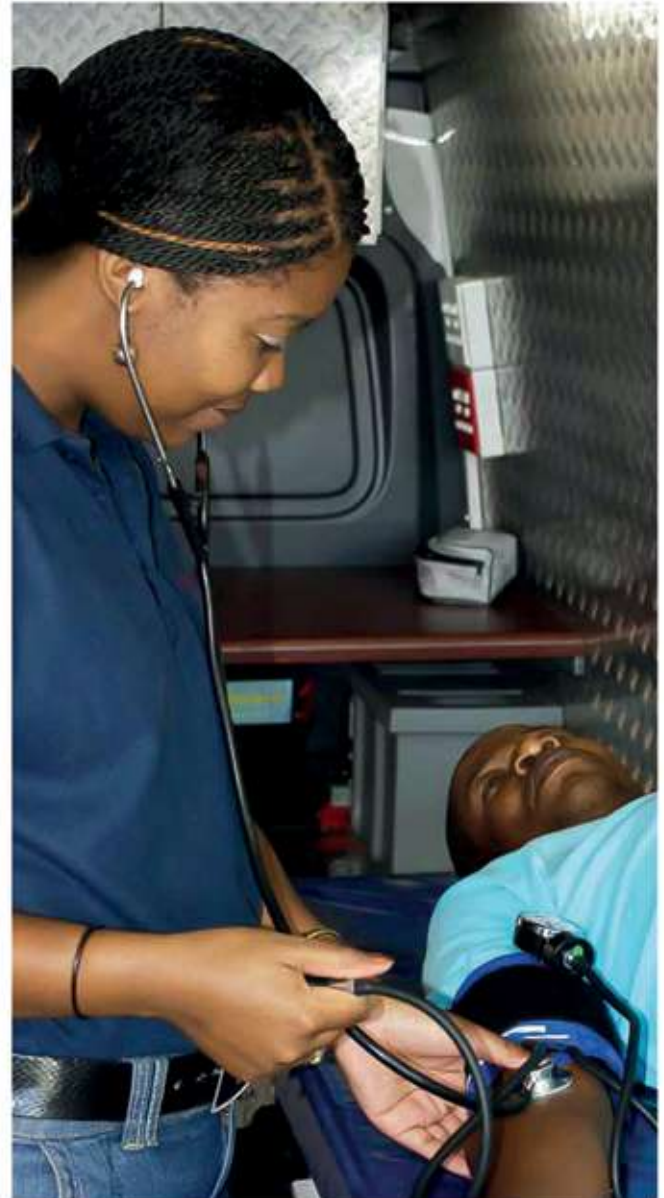
The HIV/Aids epidemic is a challenge, affecting the operations and success of the Road Freight industry. Recognising that the success of the industry is partly reliant on the health of its workforce and as a responsible corporate citizen, Mercedes-Benz South Africa (MBSA) has partnered with the Trucking Wellness initiative since 2009.

Trucking Wellness is an HIV/Aids prevention initiative led by the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI). The Road Freight industry, a key client of MBSA, is the lifeblood of the country's economy. Accordingly, MBSA prioritised the importance of the health and well-being of the workforce of the trucking community through this initiative.

Value-add to customers and the industry

Trucking Wellness facilitates a Fleet Owner Workplace Wellness Programme which is implemented across a select group of MBSA's fleet customers. The Workplace Wellness Programme assists fleet owners to better understand, identify, prevent and manage the risks associated with ill health and disease particularly HIV/Aids in the workplace. The programme is designed to be implemented over a year, with minimal impact on business operations.

Developed in 2013, the Fleet Owner Workplace Wellness programme has thus far reached over 6000 employees. Additionally, 22 fixed Trucking Wellness Centres situated on all major trucking routes provide health support to truck drivers, commercial sex workers and



communities at large.

For more information on the Trucking Wellness initiative, visit:

www.mercedes-benzsa.co.za/



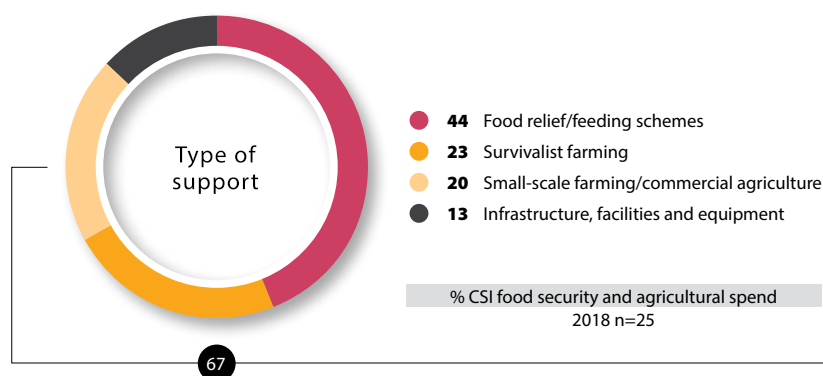
Food security and agriculture

National context

- The 2018 budget for agriculture and rural development was R30 billion – less than 2% of the total national budget.
- The Department of Agriculture, Forestry and Fisheries reported a decline in agriculture's share of GDP, from 2.8% in 1994, to 2.1% in 2016.
- The *Land Audit Report* released by the Department of Rural Development and Land Reform in 2017 showed that state ownership of land is not as extensive as sometimes claimed – at 20 million hectares, compared with 93 million hectares in private ownership. Thirty-nine percent of total registered private land in South Africa was owned by individuals (72% White-owned, 15% Coloured-owned, 5% Indian-owned and 4% Black-owned). Trusts owned 31%, companies owned 25%, community-based organisations owned 4% and 1% of land was co-owned.
- The Western Cape Department of Agriculture, citing a macro-level impact assessment, reported that the Western Cape agricultural sector was set to lose R5.9 billion in 2017/18 and that 30 000 farm jobs had been lost as a result of an ongoing period of drought.
- In addition to the one percentage point VAT increase, South Africa also experienced considerable fuel hikes in 2018. Economists estimate that 80% of food in South Africa is transported by road and, according to the *PACSA monthly food price barometer: April 2018*, the cost of a food basket for a family of seven people increased from R2 886 in September 2017, to R3 144 in April 2018.
- According to The Economist's *Global Food Security Index 2017*, a measurement tool that reports on the affordability, availability and quality of food accessible to the population, South Africa ranked 44 out of 113 countries surveyed. The scorecard focuses on criteria such as the presence of food safety net programmes, nutritional standards, food safety, food loss, agricultural import tariffs, volatility of agricultural production, food consumption as a share of household expenditure and access to farmer financing.
- In 2017, the Children's Institute at the University of Cape Town reported that 5.5 million children in South Africa – around 30% – suffer from hunger-related issues.

Overview of CSI spend

Food security and agriculture was supported by 34% of companies and received 9% of CSI expenditure in 2018.



- Support for **food relief/feeding schemes** increased from 31% of food security spend in 2017 to 44% in 2018.

Topical: Land restitution projects supported by the Land Bank

Transformation is key to the realisation of the National Development Plan's vision for an integrated and inclusive rural economy and the potential of the agricultural sector to create an additional one million jobs. The Land and Agricultural Development Bank (Land Bank) is guided by a government mandate to provide financial services to the commercial farming sector and agri-business and to facilitate access to finance for historically disadvantaged new entrants to the sector. In addition to the direct debt and equity funding that Land Bank provides to commercial and emerging farmers, commercial businesses in the sector are also coming on board as intermediaries who are on-lending to emerging farmers around them, while Land Bank manages the risks associated with this type of lending.

Amid slow transformation of land ownership and ongoing divisive political, legislative and public debates about land expropriation without compensation, Land Bank is supporting various innovative and collaborative models across the country that are demonstrating the potential of strategic land restitution projects.

Zolarity, in Limpopo, is a joint venture between Limpopo Dairies and its workers' trust, a majority black grouping who own 51% of the business. The establishment of the trust was rooted in the acknowledgement that a business could not sustainably thrive if its workers and community were living in poverty. Financed by Land Bank, Zolarity acquired unutilised land adjacent to the dairy to expand and diversify its operations. In addition to a guaranteed offtake agreement, Limpopo Dairies provides technical assistance to the farmers, to ensure that they meet the required commercial industry standards. The trust intends to create 150 jobs and a number of new businesses by the end of 2018.

The Ndwandwa Community Trust in Badplaas, Mpumalanga, acquired 29 farms, totalling 9 800 hectares, through successful land claims in 2003. After the transfer of the properties, the community faced some financial challenges in starting farming activity on the land. With Land Bank's support, a total of 555 hectares will be planted, including 125 hectares of new land that has been brought under production. There has also been an increase in the production yield from the land, as well as an increase in employment on the farms.

The Sernick Group in the Free State is a specialist business involved in end-to-end beef production. When the company noticed that some of the livestock being supplied by the farmers did not meet its quality standards, the company approached Land Bank for assistance to support the 59 emerging black livestock suppliers to improve their services. Land Bank provided R25 million in credit to Sernick Group, who acts as a financial intermediary borrowing on behalf of these farmers who would ordinarily be considered too high-risk to qualify for traditional financing from commercial banks. The Group then on-lends to the farmers, who enter into a three-year repayment agreement which includes comprehensive technical and educational support to ensure that quality standards improve. All profits earned are shared between the farmers. In May 2017, Land Bank extended an additional R25 million in credit to expand the programme, due to its initial implementation success.

Companies operating in the food and agricultural sectors can support emerging farmers by serving as financial intermediaries; providing increased enterprise development support and opportunities for small-scale farmers to enter the formal supply chain; participating in education and skills transfer with small-scale and prospective farmers in the surrounding areas, and training farmers in business management. ■

Land Bank: Empowering Communities through Agriculture

With agricultural development now on the forefront of the ongoing national debate on how to accelerate broad-based transformation and economic growth, society's expectations for a solution-oriented sector driven to deliver these objectives will be higher than ever.

As the primary economic activity in rural areas, the National Development Plan identifies the agricultural sector as having the potential to create nearly one million new jobs by 2030. The President's recently announced economic stimulus package takes this sentiment forward, prioritising support to an agricultural sector identified as a key catalyst for growth.

While policymakers and sector players have long recognised this potential, its translation into significant benefits for previously marginalised groups, like the youth, has been slow. The implementation of activities that will encourage and support more youth entering the agricultural sector hinges on the ability of these players to fully understand the challenges and how best to respond to them.

The Land and Agricultural Development Bank of South Africa (Land Bank) is one such sector player that has been charged with facilitating transformation in the economy and society in a manner that is more inclusive and equitable. With a specific development finance mandate, it has been working



to find unique solutions to the unique challenges that exist in transforming the economy, with the objective of facilitating the participation of youth, women and other previously disadvantaged groups in the economy in a sustainable way.

Land Bank has positioned itself as a solution-oriented, development organisation, working to create opportunities across the agricultural value chain for marginalised groups like youth, women and black people.

Corporate Social Investment (CSI) programme

Through this programme Land Bank is supplementing the development financing work it does on a daily basis by reaching out to the communities in which it operates.

The programme has three distinctive focus areas to boost participation within the agricultural sector, including:

- **Food security:** Upskill and provide resources to households to improve food security and reduce vulnerability to hunger.
- **Employment quality:** Capacity building for smallholder farmers to upskill them to pursue sustainable agricultural practices and employment opportunities.
- **Sector growth and transformation:** Building the agricultural sector skills pipeline, focusing on youth development and women-headed households.





Building an Impactful CSI programme

Over the last 18 months Land Bank has worked to implement an impactful CSI strategy aligned to its core mandate of creating a more inclusive and equitable sector. This growing programme currently supports the following initiatives:

- **Buhle Farmers' Academy:** Buhle Farmers' Academy has been training and developing entrepreneurial skills for the agricultural sector for 16 years, growing from strength to strength. Trainees come from all over the country to learn at its two campuses, one in Mpumalanga and the second in KwaZulu-Natal. The Academy offers holistic and practical training courses covering vegetables, crops, poultry and livestock production, as well as mixed farming. The Academy has helped to create over 8 000 jobs in the agricultural sector to date. The programme is currently selecting additional youth-run agricultural enterprises who qualify for support beyond their Farmer Support programme. These agri-enterprises will be profiled in the media and supported with additional start-up funds to enable entrance into the commercial farming sector.
- **Agriculture and Youth programme:** Land Bank was instrumental in supporting the launch of a new youth agriculture initiative, the Agri-Teen Symposium, at the beginning of 2018. The initiative aims to facilitate greater youth participation across the agricultural value chain by providing youth with relevant information, opportunities and platforms for them to thrive in the sector. Through Land Bank's support, the programme is set to expose thousands more youth to opportunities across the agricultural sector. This initiative also includes a "Take a Learner to a Farm" component in which township school learners and agri youth clubs are exposed to farms and agricultural businesses.

- **Communal Wool Growers' Association programme:** Through its CSI programme the Land Bank is supporting the training of over 1 500 communal wool growers in the Eastern Cape. The idea behind the project is to not only train these growers but to create access to local and international wool markets so that they are able to grow their businesses sustainably. Training and farmer support sessions on flock nutrition and health, and breeding and reproduction management have already been delivered.
- **Sustainable Food Gardens Projects:** The Food Garden programme (in schools and in communities) has commenced with the planting season, allowing Land Bank to profile and showcase the impact of the initiative during the months beginning October 2018 going forward. Six school and community centres are participating in this initiative, with learners/educator workshops, communal food production sessions and supply production inputs already completed.
- **Employee Volunteerism:** Giving back is embedded in our development culture at Land Bank, and our employees regularly get involved to make a difference in the communities in which we operate. Land Bank's employee volunteerism programme is closely aligned to the objectives of its CSI strategy, which is to empower women and youth by creating sustainable opportunities within the agricultural sector. These community initiatives include Mandela Day activities across the country, activations on World Food Day as well as ongoing community work that aims to address the food security needs of communities where our branches are based.



While fairly new, the programme has already provided measurable change for beneficiaries. Land Bank is committed to sustainably grow its community footprint in support of the national imperatives around agriculture.

Go to www.landbank.co.za for more on Land Bank's CSI programme.



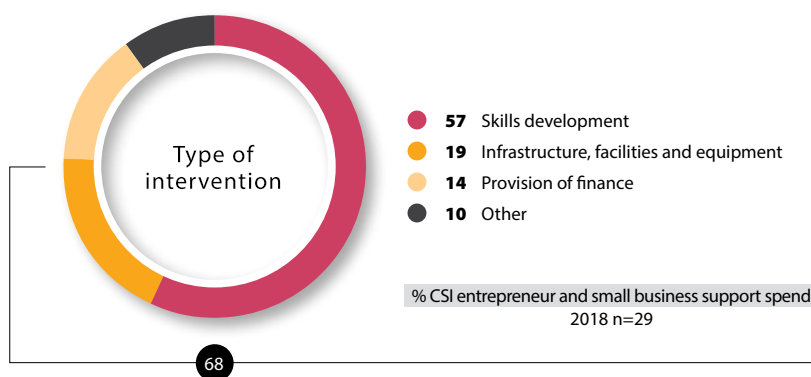
Entrepreneur and small business support

National context

- The annual budget for the Department of Small Business Development (DSBD) is set to increase, from R1.5 billion in 2018/19, to R2.7 billion by 2020/21. Transfers and subsidies account for 85% of DSBD's budget, with R769 million allocated to the Small Enterprise Development Agency (SEDA) and the remaining R492 million going to the incentive schemes implemented by the Industrial Development Corporation (viz. the Black Business Supplier Development Programme, the Cooperatives Incentive Scheme, the Enterprise Incubation Programme and the National Informal Business Upliftment Scheme).
- The significant increase in the DSBD's budget over the medium term is attributed to the R2.1 billion SMME and Innovation Fund, announced by the President in February 2018, which aims to empower small to medium start-up businesses that display innovation and high chances of success.
- According to the 2017/18 *Global Entrepreneurship Monitor* report, small, medium and micro-sized enterprises (SMMEs) contribute 36% to South African GDP.
- The *Inaugural South African SMME Access to Finance Report* estimates that formal SMMEs employ between two and three million full-time employees.
- The National Development Plan projects that, if all its recommendations are implemented, the South African economy will grow by 5% per annum, with between 60% and 80% of this value created by SMMEs and expanding businesses.
- The World Bank ranks South Africa 82nd out of 190 countries for ease of doing business, and 136th for ease of starting a business, down from 74th and 131st in 2017.
- *The Real State of Entrepreneurship Survey 2017*, produced by social enterprise Seed Academy, found that 50% of entrepreneurs in South Africa were youth and 47% were women. Eighty-seven percent of all small businesses were self-funded and only 5% of surveyed entrepreneurs received funding from formal sources.
- The Organisation for Economic Co-operation and Development's 2017 *Economic Survey of South Africa* found that only 26% of bank lending to business goes to SMMEs.

Overview of CSI spend

Entrepreneur and small business support was supported by 42% of companies and received 7% of CSI expenditure in 2018.



- **Skills development** remained the most popular mechanism for entrepreneur and small business support, increasing from 53% of spend in 2017 to 57% in 2018.

Topical: Strengthening incubation and business support programmes

South Africa has low levels of entrepreneurial activity in relation to comparable developing countries, and a 70% to 80% failure rate for start-ups in the first five years of business. The *Global Entrepreneurship Monitor 2016/17* report (GEM 2016/17) and Seed Academy's 2016 Startup Survey identify the most significant challenges faced by early-stage entrepreneurs as the inability to raise funds and access information on funding; lack of access to market opportunities; lack of guidance and mentorship; the inability to manage administrative and business processes; lack of financial management knowledge preventing business owners from applying strict governance over cash flow management; lack of market research skills; and lack of customised SMME support for businesses at different life stages (i.e. acceleration programmes versus incubation).

According to the Aspen Network of Development Entrepreneurs (ANDE), there are 340 organisations that provide support to South African entrepreneurs. This support is generally categorised into five business 'life stages'; viz. ideation, start-up, early stage, expansion and growth. Of the 27 corporates in South Africa that provide entrepreneurial support and were tracked by ANDE, the majority (17 companies) do so at the start-up and early stages (22 companies). Only two out of the 27 companies (GE Africa Innovation Centre and Standard Bank Incubator) provide capacity development support for entrepreneurs at the business ideation stage.

Based on GEM 2016/17 and research conducted by the Jobs Fund, the following factors have been found to influence the success of incubation and business support programmes:

- **Finding the right type of entrepreneur** that is opportunity- rather than necessity-driven; has conducted some degree of market research that indicates meaningful market potential and opportunity; and possesses favourable personal and behavioural qualities and competencies, including resilience and innovative thinking
- **Rigorous recruitment and selection processes** in order to attract high-potential entrepreneurs
- **Focus on a single sector or type of product** so that resources can be pooled, innovation encouraged, skills transferred and information exchanged
- **A strong networking component** that facilitates access to corporate procurement opportunities
- **Longer periods of incubation** (providing entrepreneurs with office space and services, etc.) spanning at least one year and running up to three years
- **Post-incubation monitoring and support** for entrepreneurs, for at least three years. ■



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MTN

Entrepreneurship starts in the classroom

Author: **Kusile Mtunzi-Hairwadzi**, General Manager of the MTN SA Foundation

The latest mid-year population estimates in the Statistics SA report released in July this year found that South Africa is both young and female, with people between the ages of 16 and 34 making up over 20% of the population.

These figures represent a double-edged sword for policymakers.

On the one hand, this means that South Africa has an established workforce of tech-savvy future entrepreneurs and professionals who can harness the power of information and communication technologies (ICT) to translate South Africa's growth ambitions into reality.

On the other hand, this begs the difficult question of whether the sluggish economy is able to cater for these young people who are on the verge of entering the world of work. More importantly, we have to ask whether they have the right skills and mindsets to venture into entrepreneurship, considering the already-high unemployment rate.

Current statistics on youth unemployment in South Africa also paint a grim picture. One in every three people who are economically able are out of work. The social and economic implications of this are devastating.

This places an additional burden on the state to provide a social security net, incubates socioeconomic challenges like alcohol and drug abuse, and deprives the economy of income that could be generated by more than 32% of the population.

So how can South Africa Inc. ensure that the pent-up energy of this growing section of the population is properly tapped into for the general wellbeing of society?

How do we ensure that the youth leverage the power of connectivity to create new enterprises and possibly future conglomerates?

It is well documented that small and medium-sized businesses have the potential to kick-start economic growth and make a significant dent in the unemployment rate. However, many start-up businesses barely make it past the first year.

According to South Africa Web, small businesses contribute 30% to South Africa's GDP, absorb about 70% to 80% of the employed population, but contribute less than 4% to export earnings, which leaves a large margin for growth.

Though statistics on the failure of small, micro and medium-sized enterprises (SMMEs) vary, one of South Africa's major banks found that, on average, about 50% of all start-up businesses in South Africa fail within 24 months due to the inability and inexperience of their owners.

It is for this reason that the MTN SA Foundation supports initiatives like the Step Up to a Start Up programme, which aims to reverse this trend and inculcate an entrepreneurial mindset among school going teenagers. This is achieved by giving these young people the practical skills required to start a business and realise their entrepreneurial ambitions.

This year's programme kicked off with the screening of a movie called 'Think Tech, Do Business' across the country. The movie documents the life of the main character who discovers technology and starts a business that transforms her life and that of her community. The teenagers who attended the screening were given a toolkit designed to assist them to implement the skills learnt by the movie's lead character.



The initiative is currently in its completion phase – the teenagers wanting to participate are tasked with developing a detailed business plan. The top nine entries will get the opportunity to attend an intensive four-day Entrepreneur Boot Camp, where top entrepreneurship experts will share their knowledge and experience with them.

The Step Up to a Start Up has exposed over 60 000 youth to entrepreneurship, paid over R100 000 in seed funding to businesses that are in development phase, and contributed more than R150 000 towards bursaries to fund further education of the winners, since 2014.

The entrepreneurial seeds that are planted by initiatives like this have the potential to grow into fully-fledged enterprises that can make a meaningful contribution to job creation and economic growth.

Many of the big businesses that define our world today were start-ups at one point. Their growth can be attributed to the inherent flexibility that SMMEs have, their ethos of innovation, and their agility to open up new markets.

The Step Up to a Start Up programme is by no means the be all and end all for youth entrepreneurial development in South Africa. It does, however, represent an encouraging step towards fostering entrepreneurship at school level, and showcases what can be achieved when government works together with the private sector towards a common goal.

There is growing evidence that shows that including entrepreneurial training at school level encourages the learners to consider entrepreneurship as a career choice, and prepares them for this.

The European Union commissioned a study to determine the impact of education at high school level. The study looked at the impact of JA Worldwide® (JA-YE in Europe), which is the world's largest provider of entrepreneurship education programmes in The Organisation for Economic Co-operation and Development (OECD) countries.

The study found that students who participated in entrepreneurship-focused subjects are more likely to start their own business. Additionally, their companies tend to be more innovative and more successful than those led by entrepreneurs who don't have similar educational backgrounds.

It also found that entrepreneurship-focused education alumni are at a lower risk of being unemployed. Compared to their peers, they have better jobs and make more money.

“Notably, effects tend to cumulate and lead to acceleration: those who participated in a higher number of entrepreneurship education measures benefited more over time. The positive impact is not restricted to students and alumni. Besides impact on the individual, evidence from the examples reviewed for this study also showed impact on educational institutions, the economy and society,” the report reads.

While it is important to consider best practice globally, with a view of replicating it in South Africa, it is also essential that we strengthen the initiatives that are already in place locally and develop solutions that are tailored to our socioeconomic realities.

The annual Enactus and SAGE programmes are some additional examples of the initiatives in this country that we, at MTN, have also chosen to support. These have given young people from across the country the rare opportunity to showcase their entrepreneurial talent and develop home-grown solutions that contribute to a more sustainable world. These locally developed solutions are then taken into global competitions, exposing these young entrepreneurs to other solutions and possible business connections.

The global telecoms body, GSMA, has found that, even though internet access is still lagging behind across the continent, ICT has huge potential to facilitate access to economic opportunities and entrepreneurship.

The MTN SA Foundation fully supports this view. It is for this reason that we embarked on a programme of digitising economically marginalised schools across the country. At the heart of this, it's really about improving learning outcomes and creating self-reliance in the communities in which we operate.

We are living in a world where apps are becoming an everyday part of our existence. Innovations like Airbnb and Uber have shown how connectivity can disrupt the status quo and introduce completely new industries and ecosystems.

When many countries in Europe are faced with ageing populations, Africa and South Africa in particular, are in an enviable position. This is because we have the desired building blocks, in the form of tech-savvy young people who can take the country and continent forward on a new growth path.





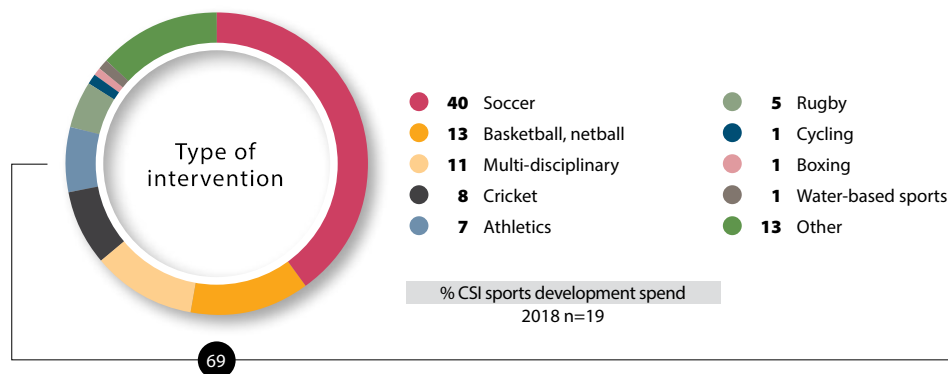
Sports development

National context

- The national budget for sport and recreation increased by 2%, to R1.1 billion in 2018/19. The majority of this budget will be allocated to mass participation opportunities and recreation, which falls under the Department of Sport and Recreation's Active Nation Programme and includes school sport.
- Sport has received R6 billion from the National Lotteries Commission since it first started allocating grants in 2002.
- *The Fifth Annual Eminent Persons Group* report, which monitors the progress of transformation in South African sport, revealed that less than 10% of the 25 000 public schools in the country participate in organised sports programmes.

Overview of CSI spend

Sports development was supported by 24% of companies and received 2% of CSI expenditure in 2018.



- **Soccer** continued to receive the most support, at 40% of spend in 2018.
- **Basketball and netball** experienced the most significant increase in support, from 3% in 2017 to 13% in 2018.

Topical: Support beyond sponsorship

Sport is an important ingredient of social cohesion and national development, with the added benefit of improving health and fitness. To develop an active nation and attain sporting success, participation in sports needs to be encouraged at all levels, with equal access to competitive or recreational opportunities at schools and in communities.

Corporate support of the sporting sector can range from sponsorship of sports teams or events (which often has considerable marketing value return), to infrastructural development and the provision of sporting equipment, to more holistic sports development programmes that aim to impart life skills, raise awareness about and combat social ills through specialised curricula.

Companies interested in the latter should consider partnering with implementing non-profit organisations (NPOs) that collaborate with schools and sports clubs; strengthen the fabric of the communities in which they operate; innovate; and measure their progress and achievements. NPOs like AMANDLA EduFootball – through their 'Safe-Hubs' – help to create safe educational, youth-friendly centres in communities characterised by poverty, unemployment and inequality. Grassroot Soccer, an adolescent health organisation supported by companies like Johnson & Johnson and the Vitol Foundation, leverages the power of soccer to educate, inspire and mobilise at-risk youth to overcome their greatest health challenges, live healthier, more productive lives and be agents for change in their communities. ■

Early Childhood Development Centres

Since 2000 **Bright Kid Foundation** has delivered over **356** Agrément certified 'Edutainer'[®] preschool classrooms to trained teachers, and over **102** complete **Early Childhood Development Centres** to rural areas and informal settlements across **South Africa**. Over **57000** preschool children have graduated from Edutainers.

A one-off corporate social investment in a Bright Kid Foundation Early Childhood Development Centre (ECDC) will:

- **Deliver a sustainable ECDC to trained teachers** in areas of need. Department of Social Development subsidies and modest school fees sustain the ECDCs. Improved Early Childhood Development is vital for South Africa's future
- **Improve food security** for the ECDC through water tanks which trap rain water run-off. This water is used for food gardens
- **Improve child and teacher health** through the installed certified hygienic ablution units. These units can work both as non-flushing or flushing toilets. They are safe and odor free
- **Reduce youth unemployment** with training during ECDC installation. Participating youth are registered on the Youth Employment Services (YES) website.



ECDC Infrastructure

1. Fencing
2. Age appropriate jungle-gym
3. Certified hygienic waterless ablution units with folding toilet seat for safe use by younger children
4. 2,500 litre rain run off water storage tank for food gardens
5. Large IBR shade verandah with gutters
6. Space for two additional Edutainers[®]. The centre will serve 75 children
7. Agrément certified fully equipped preschool Edutainer[®] for 25 children with extra adult furniture for 20 adults for after hours use
8. Corporate logo here
9. Disabled-adapted ramp for easy access
10. Edutainer[®] Service Centre with fully equipped office, kitchen and sick-bay
11. Large double gate



**Winner of 2017
Impumelelo Social
Innovations Platinum
Award**

Help us deliver the next ECDC

Bright Kid Foundation
011 786 3169 / 082 852 4867
info@brightkidfoundation.co.za
www.brightkidfoundation.co.za



Agrément Certification 2009/M 56. Association not for gain in terms of section 21 Reg 2000/028269. Bright Kid Foundation was registered in terms of the Nonprofit Organisations Act, 1997. Registration Number: 088-938 NPO

Celebrating 10 years of development through soccer



We're celebrating ten years of community and individual development through sports participation in schools.

***Setlogane Manchidi,
Head: Investec CSI***

Popular Soweto schools football competition, the **Investec Soccer League (ISL)**, this year celebrates 10 years of developing young lives through sports. Having been piloted in 2008 as the brainchild of Investec Corporate Social Investment (CSI), the ISL is fully endorsed by the Gauteng Department of Education and currently involves 20 high schools from across Soweto, benefiting 360 learners under the age of 21, in grades 8 to 12. Participating schools are also feeder schools in Investec CSI's flagship Promaths programme, which provides additional tuition in maths and science for pupils in grades 10 to 12.

The ISL format sees 20 high schools playing against one another in round-robin format in two groups of 10 teams. They play a total of 90 games, before the league culminates into the knock-out stage with quarter-finals, semis and a final, seeing the qualifying teams play a total of 97 games. Investec provides soccer kits, balls and professional referees to make the tournament a success. The winning school receives a cash prize, the winner's trophy and gold medals. It has been a decade since its launch in the bustling community where soccer is a way of life, and where many of South Africa's soccer greats learn their craft.

Reflecting on the past 10 years, Setlogane Manchidi, Head of CSI for Investec, is quick to remind us that the ISL has always been about people development. The ISL is geared

towards developing football talent, but also to encourage teamwork and impart life skills. The league fosters positive competitiveness as well as discipline, focus, tenacity and drive – all of which can help players in their respective careers.

"We're celebrating ten years of community and individual development through sports participation in schools," said Setlogane Manchidi.

"The league manages to strike a balance between participation in a highly competitive sport and developing physical abilities and cognitive aptitude."

Annually, Investec hosts a four-day-long leadership camp as part of this league. It is at this camp that all players in the soccer league are exposed to development workshops that offer additional skills development on financial literacy, substance abuse, health, career guidance and entrepreneurship training; thus providing a platform for developing well-rounded future responsible leaders who will become active economic participants in society. Setlogane Manchidi emphasises that the league is about developing future superstars, whether in the boardroom or on the field.

Every year the finals are a spectacular event, not only about crowning the season's champions but motivating all teams that took part in the league, engaging other Investec CSI initiatives such as the Field Band Foundation, and involving Investec staff and dignitaries. Adding further motivation for the boys to perform and impress Investec has over the years ensured the presence of some of South Africa's best soccer personalities such as Thulani Hlatshwayo,

Out of the Ordinary®



Brian Baloyi, Moneeb Josephs, Gavin Hunt, Jimmy Tau and Shaun Bartlett at the finals, showing their support for the young aspiring footballers.

All semi-finalists receive prize money pending performance on the day. Setlogane Manchidi said, "it's amazing the pride with which all participating learners represent their school while they're playing, not only for entertainment but showcasing their talents for a greater cause – their own schools that are to benefit from the prize money as the proceeds go towards the development of the winning school's sports and educational initiatives."

This year, to celebrate the ISL's 10th anniversary, Investec has upped the prize money to R500 000, with the winning school receiving R250 000. The league prize money has, since 2008, helped to improve various educational and sports-related resources within the schools. In the past, winners have used their prize money for broader school development such as contributing towards refurbishing science and computer labs, improving the state of classrooms, ablution facilities and sports equipment for the benefit of thousands of other school learners."



"The 10 years of the ISL have produced hundreds of well-rounded individuals who understand leadership, accountability and the spirit of fair play. It has been 10 years of making a difference to individuals, schools and communities - a great opportunity to use soccer as a development platform through sports."

Setlogane Manchidi, Head: Investec CSI





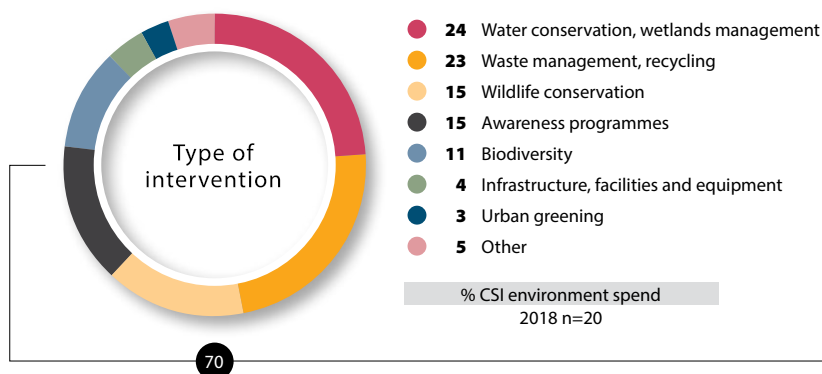
Environment

National context

- The amount allocated to the Department of Environmental Affairs remained unchanged, at R6.8 billion in 2018, but is expected to increase to R8 billion in 2020.
- The Green Fund, established in 2010 and managed by the Development Bank of Southern Africa, on behalf of the Department of Environmental Affairs, seeks to support green initiatives to assist South Africa's transition to a low carbon, resource-efficient and climate-resilient country. According to the *2018 Estimates of National Expenditure* report by National Treasury, the Fund has a portfolio of 20 active and two completed investment projects, representing investment of R680 million since its inception. As investments begin to show favourable returns, direct private investment is expected to exceed R500 million over the medium term.
- By mid 2018, government had signed 27 contracts with independent power producers, totalling R56 billion of investment and adding 2 300 megawatts of energy to the energy grid.
- According to a draft report by the Department of Environmental Affairs, titled *South Africa State of Waste Report*, the country generated 42 million tonnes of general waste in 2017, with only 4.9 million tonnes (12%) of general waste estimated to have been recycled.
- Packaging group Mpact says that more than 80% of recyclable waste ends up in landfills. In 2018, the Department of Environmental Affairs allocated R194 million over a three-year period to the Recycling Enterprise Support Programme, through which developmental funding is provided to start-up or pre-existing buy-back centres, material recovery facilities, construction and demolishing solutions, as well as plastic palletisation plants.
- The agricultural sector consumes 55% of water; industry 18%; municipal 17%; afforestation 5% and mining 5%, according to the Department of Water and Sanitation's *Strategic Overview of the Water Sector in South Africa*. Disturbingly, water usage has surpassed the estimated 2025 high water requirement of 17.3 billion m³/annum, which means that drought-affected areas will experience water restrictions more often and for longer periods.
- The International Union for Conservation of Nature *Red List of Threatened Species* marks four of South Africa's 'big five' as 'threatened' – only the African buffalo is classified under 'least concern'.

Overview of CSI spend

The environmental sector was supported by 30% of companies and received 2% of CSI expenditure in 2018.



- Support for **water conservation and wetlands management** increased from 16% of environment spend in 2017 to 24% in 2018, likely in response to the severity of the drought that gripped the Western Cape and Eastern Cape.

Topical: An update on energy and climate legislation

The Integrated Resource Plan (IRP), which was released for public comment in August, is intended to be finalised by the end of 2018. This national energy plan calls for a mix of wind, solar and gas energy to challenge coal as the dominant source of energy, and will guide the Department of Energy's call for tenders for new power plants. At the launch of the 2018 IRP, energy minister Jeff Radebe said that energy demand is dropping, with demand now the same as it was in 2007, and at 30% less than was projected in the 2010 energy plan. According to the IRP, in 2030 the energy grid will be constituted of 45% coal, 16% gas, 15% wind, 11% solar photovoltaic, 6% hydroelectric, 4% pumped storage and 3% nuclear energy.

The Climate Change Bill was released for public comment in mid-2018. The bill aims to transition South Africa into a climate-resilient and low carbon country, with proposed additional carbon budgets that limit the greenhouse gases of major emitting companies. The bill suggests that the minister of environmental affairs determine a national greenhouse gas emission reduction trajectory. However, experts are critical of the lack of clarity regarding how this trajectory will be aligned with the 'peak, plateau and decline' (PPD) trajectory. Detailed in *South Africa's Intended Nationally Determined Contribution* to the United Nations Framework on Climate Change, PPD refers to peaked emissions between 2020 and 2025, plateauing for approximately ten years, followed by a decline in absolute terms.

The bill also aims to introduce carbon budgets and to penalise non-compliant companies. The lack of clarity around enforcement of these penalties, the flexible deadlines proposed for the carbon budgets, and the lack of requirements to publish information on climate change as a matter of corporate accountability are also points of concern.

Carbon tax, aimed at businesses that emit high levels of carbon, has been in draft bill since 2015. A media statement released in December 2017 described the *Carbon Tax Bill* as intending to "enable South Africa to meet its internationally-determined contribution commitments in terms of the 2015 Paris Agreement (on climate change, which comes into effect in 2020), and to reduce (its) greenhouse gas emissions in line with the National Climate Change Response Policy and National Development Plan". Government anticipates that the tax will reduce business's carbon emissions by 33%, by 2035.

The draft bill currently provides for the phased introduction of carbon tax, with the proposed tax at R120 per tonne of carbon dioxide equivalent for emissions above the tax-free thresholds. However, the draft bill includes transitional tax-free allowances, including a 60% basic tax-free allowance; a variable (maximum 10%) tax-free allowance for trade-exposed sectors; a maximum tax-free allowance of 5% for above-average performance, and a 5% tax-free allowance for companies with a carbon budget. Despite these transitional allowances, concern remains that the implementation of carbon tax will curb economic growth for energy-intensive, mining and chemical companies, given their reliance on fossil fuels. ■



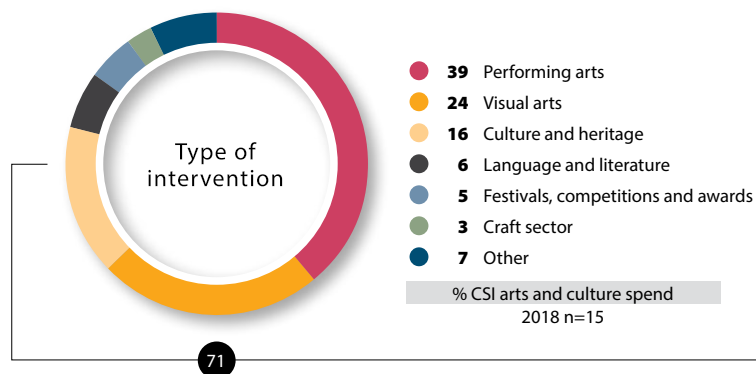
Arts and culture

National context

- The Department of Arts and Culture was allocated a R4.4 billion budget for 2018/19.
- Through the community library services grant, the Department plans to build 87 new libraries and upgrade 135 existing libraries, at an estimated cost of R4.5 billion over the medium term (2018–2020).
- R918 million has been allocated for the implementation of the Mzansi Golden Economy strategy over the medium term (2018–2020). The strategy aims to provide skills development, 25 500 part-time jobs, and to create sustainable job opportunities for South African artists.
- The South African Cultural Observatory reported that over one million jobs in South Africa are housed in the broader creative and cultural industries (CCI). About 43% of CCI jobs are informal and 32% of people work on a freelance or contract basis, compared to 8% who work in non-CCI jobs.
- According to the *Economic Impact of the South African Film Industry Report 2017*, commissioned by the National Film and Video Foundation, the South African film industry contributed R5.5 billion to GDP and created 21 656 jobs during 2016/17.
- In 2017, the Department of Arts and Culture launched the National Art Bank (NAB). This new model facilitates the acquisition of art from galleries and private individuals and leases them to corporates, government institutions and individuals for which the ongoing acquisition of art may otherwise be out of reach. Ultimately, the NAB aims to become self-funded.

Overview of CSI spend

Arts and Culture was supported by 20% of companies and received 2% of CSI expenditure in 2018.



- **Performing arts** continued to receive the most support, at 39% of arts and culture spend in 2018.
- Support for **visual arts** increased, while spend on **language and literature** and **festivals, competitions and awards** decreased.

Topical: Unlocking the potential of the creative and cultural industries

Art presents profound opportunities to engage difficult and often divisive social issues. Despite its contribution to social cohesion and nation building, the value of the sector is not always fully recognised. Amid considerable national emphasis on science, technology, engineering and maths (STEM) education, experts at the Act | UJ Creative Conference in 2017 discussed the importance of the integration of art in education, arguing that art has the potential to unlock the imagination and could help students to better learn STEM subjects.

South Africa has some way to go in harnessing the full potential of its CCI, but gradual progress is being made. Government established The South African Cultural Observatory in 2014 to build an evidence base for investment in CCIs, as well as to monitor and evaluate government initiatives in the sector. On the corporate front, Business and Arts South Africa's (BASA) *20 Years of Business-Arts Partnership Trends* report found that corporate sponsorship of the arts grew significantly, from R136 million in 2001, to an estimated R524 million in 2015. BASA also reports that 45% of South Africans said that they were positively influenced towards companies that sponsored arts and culture.

Funders can play a valuable role in ensuring that under-resourced schools and communities have equal access to the arts. Beyond sponsorship, companies can contribute their business expertise and skills, such as marketing, financial management advice and administration, to strengthening the sector. Because the arts can stimulate discussion on social issues, like gender-based violence and systemic inequality, funders who may not want to directly support advocacy can still contribute to a vibrant democracy by supporting individuals or institutions that produce challenging work in literature, theatre, fine art, music and films. ■

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We see learning.

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to find out more



Asset-Based Investment.

At Belgotex, we believe it is our responsibility to be active participants in nurturing the landscape of the communities that surround our operations.

Our intention is to create resilient and economically active communities through the Belgotex Foundation and Academy. By virtue of the number of people Belgotex employs as well as the value of our annual procurement, we are able to significantly influence the asset base in these communities. We shed a spot-

light on a selection of projects that we are particularly proud of - built collaboratively with the support of an ecosystem of partners that reinforce our developmental objectives.

Education Powers our Future.

Belgotex invested in Project Bright as a small business. We needed to ensure that the business would be financially sustainable and uphold good governance and fair labour practices. Belgotex rely on two partners to assist with this - Focus on iThemba and Grow with Educentre. Focus on iThemba have sup-

ported Bright through teacher training, access to fortified porridge, educational materials and focused social worker support. Fol played the fundamental role of preparing Bright to be in a position advanced enough to be accepted as one of Grow with Educentres microfranchisees.

B.

“The vision of GROW is to become the largest chain of preschools in South Africa by providing women who are currently running unregistered sub standard creches with the opportunity to operate a GROW with Educare franchise which offers children from underserved communities excellent quality education that is also a viable business for the franchisee. This is what makes this model sustainable”

- Tracey Chambers, co-founder of Grow (Shwab Fellow)

The Future is Bright.

Meet Bright Zondi - a dynamic, female entrepreneur who is actively changing the social fabric of her community.

Her tools of change? Quality education and fair pay for her caregivers. While creating a sanctuary of safety, Bright has engaged her caregivers and the parent body by demonstrating the value that education can play on enhancing the quality of life in their community. Belgotex engaged the services of Shonaquip to implement their acclaimed Ndinagoga "I Can" Training to equip Bright and her caregivers with the tools they need to educate chil-

dren with varying abilities. Shonaquip provided an assessment of mobility needs and set up support referral pathways for the educentre's parent support group. Three children at Bright's educentre had a barrier to learn, one of whom required a mobility device. His name is Ayabonga. Shonaquip manufactured, supplied and seated Ayabonga in his customized mobility device that is fit for purpose in rural South Africa.

Food Security is taken care of by Agrinnovation, another Belgotex ED Beneficiary, through an accredited programme of 6 unemployed individuals selected by Bright. The onsite vegetable garden, seedling production tunnel and micronutrient foods ensure that the children receive freshly grown food to ensure they receive their daily nutrient intake at school.



Supporting an Inclusive Society.

Driven by the need to increase skills and opportunity for people with disabilities supported by Belgotex, we entered into an investment and procurement agreement with the Shonaquip social enterprise. In addition to supporting an inclusive society through this partnership, Shonaquip is a fellow local African manufacturer adding integrity to Belgotex's supply chain.

Appropriate flooring is an integral part of creating an inclusive built environment for people with mobility disabilities in particular.

Empowering our Artisans.

Belgotex believe in building the human spirit through the power of purpose-driven work. We recognise the role artisans play in growing our economy, with a focus to combat the country's high unemployment rate that leaves our youth disempowered and unable to contribute to society in a meaningful way.

As a brand, we are particularly reliant on the correct installation of our product to ensure that customers receive the quality and longevity that they expect from the Belgotex experience. Investment in owner-run microenterprises builds skills capital and catalyses income generation through preferred access to our product and technical team.

We provide market access to fledgling installation companies with oversight from our technical team while they polish and improve skills in a variety of floor covering installations. Underwriting the sustainability of these enterprises means Belgotex dedicates an equal amount of support in the back-office, strategic oversight and business development skills as it does in the technical aspects.

"Designing an inclusive workplace which considers the physical solutions needed to overcome barriers to reasonable accommodation of staff with disabilities is the second step in building an inclusive company. First comes the need for understanding what disability inclusion means. Shonaquip works with companies, running disability dialogues, ensuring a healthy work ecosystem for efficient and effective inclusion"

- Shona McDonald, founder of Shonaquip (Shwab Fellow)

Belgotex™

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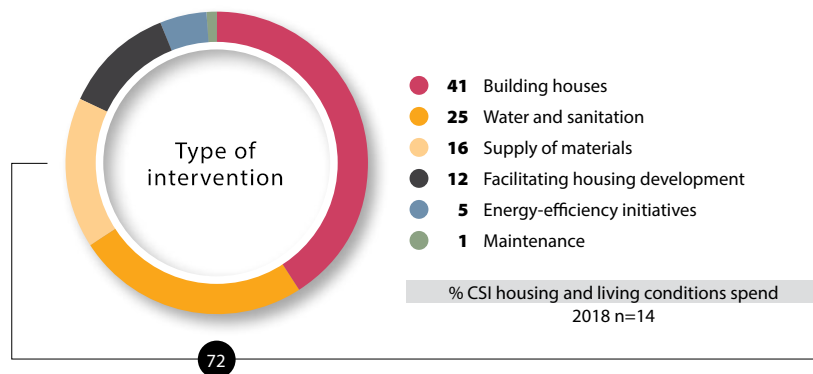
Housing and living conditions

National context

- The national budget allocated for Community Development, which includes human settlements, water and electrification programmes, public transport and municipal infrastructure increased by 7%, from R183 billion in 2017/18, to R196 billion in 2018/19.
- Between 2014 and 2019, government aimed to provide 750 000 poor households, particularly in informal settlements, with adequate housing and improved living conditions. Between 1 April 2014 and 31 March 2017, 285 043 households in informal settlements had been upgraded.
- With an estimated 2.1 million backlog of low-cost homes, and amid housing and land protest flare-ups across the country, government is exploring the option of acquiring serviced land owned by state-owned enterprises and municipalities, and giving the land and bulk infrastructure to poor people who are able to finance the building of their own homes.
- The emergency housing grant, which is expected to take effect in 2018/19 and will be funded through allocations amounting to R1.3 billion over the medium term, intends to respond to emergencies related to housing and human settlements, including providing temporary shelter in emergencies such as fires in informal settlements.
- The *Early Childhood Development in South Africa 2016* report, released by Statistics South Africa in early 2018, detailed that only 35% of young children in the Eastern Cape and 46% in Limpopo had access to piped water inside their dwellings or on site, while young children in Gauteng and the Western Cape lived in households with nearly universal access to piped water inside their dwellings or on site (94% and 89% respectively).

Overview of CSI spend

Housing and living conditions was supported by 19% of companies and received 2% of CSI expenditure in 2018.



- **Building houses** remained the largest category of housing support, at 41% of housing spend in 2018.

Topical: Housing in the mining sector

The South African Constitution mandates the state to take reasonable measures to ensure the right to adequate housing. While corporate social investment does not replace the responsibilities of the state, companies cannot disregard the impact that housing has on the wellbeing of their staff. This is particularly relevant to the mining sector, compelled by the Mining Charter, which must play a key role in ensuring the adequate living conditions of employees who are often forced to relocate from their homes for work.

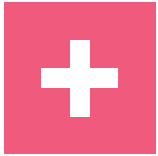
According to the *Housing and Accommodation in the South African Mining Industry Fact Sheet*, the 2009/2010 Mining Charter set specific targets for mining companies to improve the standards of housing and living conditions for mineworkers, including the conversion or upgrade of hostels into family units, an occupancy rate of one person per room, and the facilitation of home-ownership options for all mine employees in consultation with organised labour, all by the end of 2014.

The industry achieved 73% and 63% for the first two targets. However, research into the third target found that many migrant employees would prefer to return to their homes and families in rural areas when they are financially able to do so, rather than moving to mining towns permanently. As a result, the mining industry must explore shift cycles that will enable employees to return home and spend time with their families more frequently and for longer periods. Providing stable housing in mining communities has many unintended consequences, including the breakdown of family units and economies in labour-sending areas.

As with all developmental efforts, corporate involvement in housing must align with national goals and partnerships must be fostered to ensure that government is able to sustain and scale projects initiated by companies. ■



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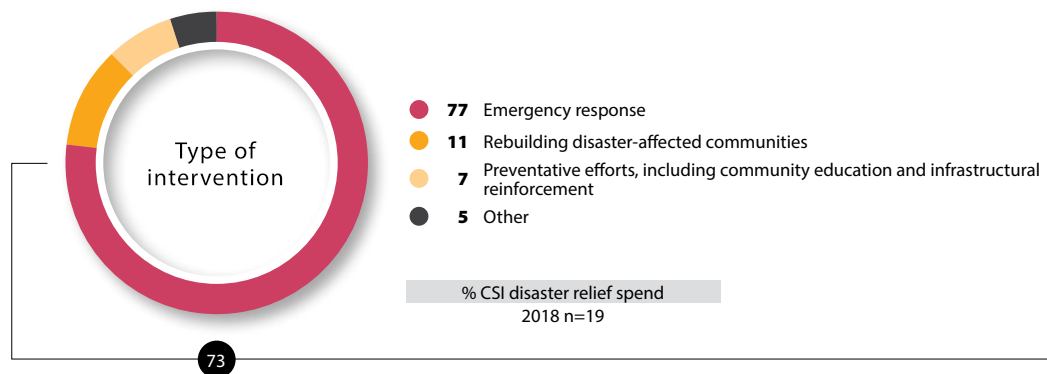
Disaster relief

National context

- Government allocated R6 billion in 2018/19 for disaster relief.
- According to the World Economic Forum's *Global Risks of Highest Concern for Doing Business*, water crises is the fourth most notable risk for undertaking business in South Africa (preceded by unemployment and underdevelopment, failure of national government and state collapse).
- In January 2018 it was announced that Cape Town would run out of water within 90 days due to drought. At the height of the drought, daily water usage was capped at 50 litres per person in the Western Cape, while the City of Cape Town sought to source in excess of 100 million litres of water per day from the Cape Flats and Table Mountain aquifers. Winter rainfall averted Day Zero, but water restrictions will only be reviewed once dam levels reach 85%. The drought also severely impacted the Northern Cape and the Eastern Cape.
- On average, Cape Town experiences between 6 000 and 9 000 vegetation fires during the summer months. Due to the drought, the City of Cape Town's Fire and Rescue Service used an air foam system to contain fires.
- According to a 2018 paper by the Research Alliance for Disasters and Risk Reduction, titled *Investigating Energy Usage Among Low Income Households and Implications for Fire Risk*, about 67% of low income households in South Africa used energy stacking, even though they had access to electricity, and alternated between electric and non-electric (mainly paraffin) energy sources to meet their daily energy needs.

Overview of CSI spend

Disaster relief was supported by 28% of companies and received 2% of CSI expenditure in 2018.



- Types of disaster relief interventions were measured for the first time in 2018, with **emergency response** receiving the majority of spend at 77%.

Topical: A case study on building resilient communities

Santam's expertise lies in risk management and cover. Through its own business operations, as well as through its CSI programmes, the insurer has learnt valuable lessons about the risks that vulnerable communities face, where they lack capability and resources, and where Santam's intervention would be most useful. The company uses its business skills to find innovative solutions to empower and mobilise communities through a holistic implementation of disaster and risk-reduction initiatives. Furthermore, by assisting vulnerable communities to manage and mitigate their risk, Santam is able to collect research data and minimise its own business risks.

The National Disaster Management Centre categorises municipalities into three groups: well-functioning, functioning but vulnerable, or dysfunctional. Drawing from this data, Santam, through its Partnership for Risk and Resilience programme, consults and collaborates with municipalities in the second category. The programme has five focus areas: to drive community risk awareness; to build and increase the capacity for disaster response and relief; data mapping in municipalities; exploring and providing alternative energy sources; and identifying fire hotspots. Not all focus areas are implemented in all municipalities.

Through the programme and in coordination with organisations such as the South African Red Cross, Santam provides fire and flood risk management training to municipal staff and community volunteers. To further mitigate risk, the company installed smoke detectors and early detection devices in fire hotspots. In some cases, firefighting equipment was also distributed.

A key priority in this programme is an inclusive, multi-stakeholder, community-driven process. To achieve this, all disaster risk reduction planning and projects are designed around the needs and priorities of communities, often as articulated in their Integrated Development Plans. Importantly, disaster risk management is prioritised at a local government level. This provides a welcome space for Santam to enter into strategic partnerships with local government disaster response units, as well as to collaborate with non-profit organisations and intermediaries. ■

■ See 'Partnering with municipalities for risk resilience' on page 148.



Launch of Santam and the Emfuleni municipality partnership and handover of firefighting equipment.



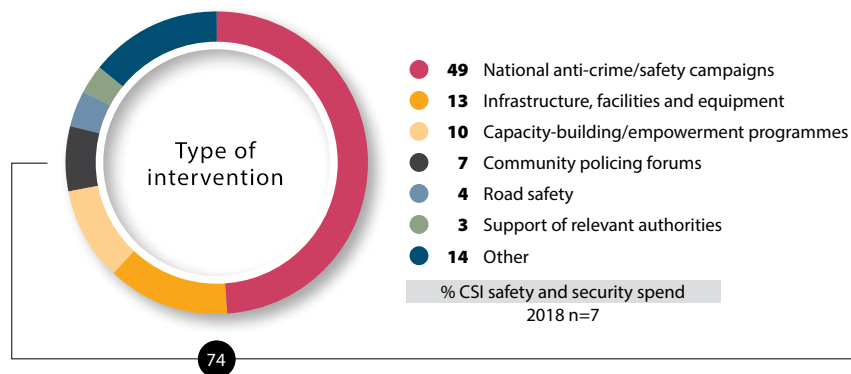
Safety and security

National context

- The Peace and Security budget for 2018/19 was R200 billion, constituting 12% of the total national budget. Police services received nearly half of the budget, at R99 billion.
- South Africa's police to population ratio has widened – from one police officer to 347 civilians in 2016, to one police officer to 369 civilians in 2018.
- Social Justice Coalition (SJC), Equal Education and the Nyanga Community Police Forum are advocating for equal distribution of police officers, arguing that the allocation of police resources by the South African Police Service (SAPS) unintentionally discriminates against poor, black communities in favour of rich, white communities. According to SJC research, 2017 SAPS data showed that Nyanga (known as the murder capital of South Africa) with a population of 202 332, only had 325 police officers (161 police officers per 100 000 civilians), while the affluent suburb of Sea Point, with a population of just 24 808 people, had 161 police officers (649 police officers per 100 000 civilians).
- According to the National Institute for Crime Prevention and the Reintegration of Offenders, recidivism rates in South Africa are as high as 90%, with many offenders returning to prison in under a year because they are unable to successfully reintegrate into society.
- According to the 2016 *Optimus Study on Child Abuse, Violence and Neglect in South Africa*, 35% of children experienced some form of sexual abuse, 35% of children experienced physical violence, 26% experienced emotional abuse and 15% experienced neglect.

Overview of CSI spend

Safety and security was supported by 8% of companies and received less than 1% of CSI expenditure in 2018.



- **National anti-crime and safety campaigns** received the most safety and security support, overtaking support for **infrastructure, facilities and equipment**.

Topical: Corporate's role in addressing gender-based violence

In South Africa, a woman is murdered every four hours, according to Africa Check. Statistics South Africa's 2018 *Crime against women in South Africa* report estimated that 138 per 100 000 women in South Africa are raped – a figure among the highest in the world. These horrific statistics should compel all sectors of society to take action.

On the first day of August this year – Women's Month in South Africa – women across the country protested against the abuse of women and children. The mass action, dubbed #TotalShutdown, was supported by the South African Human Rights Commission, the Federation of Unions of South Africa, the South African Federation of Trade Unions and the Commission for Gender Equality, among others. More and more companies recognise that this movement can no longer be designated to the streets and are finding ways to leverage their core business to help address the scourge of gender-based violence (GBV).

In partnership with the Department of Social Development, the Vodacom Foundation supports the 24-hour National GBV Call Centre, which has social workers in its employ and provides a lifeline and counselling to victims of violence anywhere in the country. Drawing on the company's expertise, innovations are helping to ensure that the service is made increasingly accessible and effective. Free 'please call me' messages can be sent to seek help; Skype capability makes it possible for callers with hearing or speech disabilities to use sign language to get help; and geocoding tracks the location of callers, which helps link them with their nearest places of safety. The Call Centre provides counselling and assistance from trained social workers and calls can be referred directly to SAPS.

The Edgars UNiTE Orange Day Campaign, which aims to create awareness about and empower victims of GBV, was launched in 2015, in partnership with the Gauteng Department of Social Development, the Department of Community Safety, the United Nations Entity for Gender Equality and Empowerment of Women, the Gauteng Fashion Council and the South African Fashion Council. Through the campaign, women who had experienced GBV have been equipped with fashion industry knowledge and skills that make them more employable, while Edgars is also able to contribute to local innovation, design and product development.

In 2017, 1st for Women Insurance launched the *For Women* platform – a website that consolidates public, private and non-profit organisations who have vowed to fight women abuse, enabling survivors who have internet access to find help quickly. The platform also aims to empower South Africans and corporates to easily connect with and support organisations that need help. *For Women* is structured to holistically address this epidemic through prevention, preparation and provision.

Developing programming that effectively addresses GBV can require in-depth consultation, research and resources. Companies that want to respond with more urgency should consider partnering with and strengthening existing collaborative initiatives. Companies should also explore how employee wellness programmes (which tend to focus on creating environments that make employees more productive in the workplace) can be harnessed to ensure employee safety and wellness beyond the office. At a structural level, companies should strive for gender equity in terms of equal pay and career opportunities. ■

Triologue is one of only a few consultancies in South Africa that focuses exclusively on corporate responsibility issues. Over 20 years of research and experience puts us at the forefront of new developments in sustainability and corporate social investment (CSI).



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We are a 51% black-owned company and the southern Africa local authority for a global network of organisations, called the Global Exchange – a coalition that focuses on advancing the role of business in society.

We share our knowledge through our publications, conferences, training programmes and forums, and use our expertise to support clients through our consulting and reporting services. From our offices in Cape Town and Johannesburg, we serve clients across southern Africa.

CSI CONSULTING SERVICES

Triologue supports its clients in making their CSI practices more effective through its end-to-end consulting process, which covers strategy development and implementation, stakeholder engagement, management and measurements systems, benchmarking and evaluation. Specific CSI consulting services include:

- Presenting to boards and executives on CSI trends and the business case for CSI
- Developing company-specific CSI policies and strategies
- Supporting companies to implement CSI strategies
- Benchmarking and strategically positioning CSI programmes and projects
- Developing monitoring and evaluation (M&E) frameworks and conducting project evaluations
- Assisting with CSI communications
- Training executives and staff on CSI practices

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VISION

Armcor's vision is to become the strategic partner of choice for the local public, private and security community – as well as the rest of Africa and global partners – while, at its core, continuing to optimally serve the DOD.

MISSION

Armcor's mission is to proactively meet the defence matériel requirements, defence technology, research, development, analysis, tests, and evaluation requirements of the DOD and other organs of state effectively, efficiently, economically and holistically.

YOUTH EMPOWERMENT, OUR PRIORITY

Armcor aims to respond adequately to the needs of communities to promote skills development, inclusivity and socio-economic development, thus contributing to the National Development Plan (2030). Armcor thus relentlessly implements initiatives to stimulate and encourage growth of engineers and scientists in the country. To this end, campaigns have been conducted countrywide to raise awareness about career opportunities available in the defence industry.



Learners visiting the Armcor's Youth Development Programme (YDP) stand at the Africa Aerospace and Defence expo (#AAD2018)



Learners at the Armcor stand during the National Science Week in Mpumalanga

ARMSCOR'S NATIONAL FOOTPRINT FOR 2017/18 IS AS FOLLOWS:

• Gauteng	Career awareness
• North West	Career awareness
• Limpopo	Mobile laboratories and career awareness
• Eastern Cape	Mobile laboratories; Saturday classes for Science, Technology, English and Maths (STEM) subjects
• Western Cape	Computer labs
• Northern Cape	Career awareness
• KwaZulu-Natal	Mobile laboratories and stationery
• Mpumalanga	Saturday classes for STEM subjects; meals and transportation; and career awareness
• Free State	Career awareness

Over and above career awareness, Armcor offers bursaries to suitably qualified learners with good results in Maths, Science and English.

Through the Talent Development Programme, the organisation continues to expose graduates to a variety of exciting opportunities available at Armcor and within the defence industry. This programme allows graduates to acquire skills by working on advanced technologies and innovative projects.



Learners at Armcor offices during the Take a Girl Child to Work Campaign

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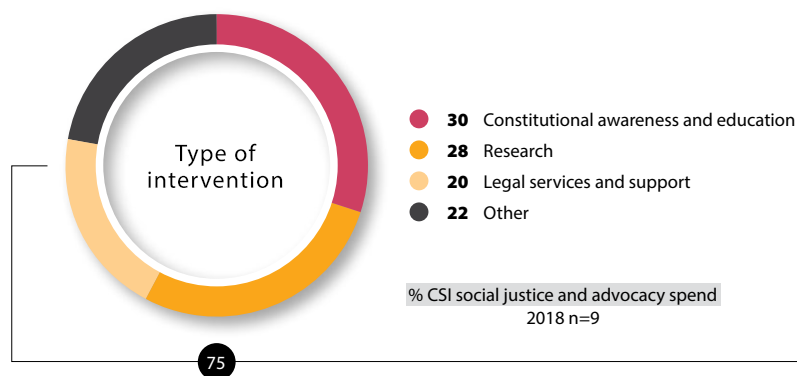
Social justice and advocacy

National context

- According to the *Global Wage Report 2016/17*, the top 10% of society in South Africa receives half of all wage income, while the bottom 50% of the workforce receives just 12%.
- The 2018 *Overcoming poverty and inequality in South Africa* report says that geography remains a marker of poverty, demonstrating apartheid's enduring legacy. In 2015, nearly 60% of the poor lived in rural areas. The Eastern Cape, KwaZulu-Natal and Limpopo were consistently the poorest provinces between 2006 and 2015.
- The *National Minimum Wage Bill* was adopted by Parliament in mid-2018. Critique of the minimum wage includes that it is pitifully low, and that the Bill mainly protects workers in urban areas, since small businesses in rural areas may not be able to afford R3 500 a month per employee, thereby making these employees more vulnerable to job losses.
- Data collected by Municipal IQ – a data monitoring and intelligence service – recorded 144 major protests in the first half of 2018, compared to the total 173 demonstrations recorded in 2017. The worst affected provinces in the first half of 2018 were the Eastern Cape (20%), Gauteng (17%) and the Western Cape (15%).
- Corruption Watch, according to its latest annual report, received 5 334 reports of corruption in 2017 – an increase from the 4 391 reports received in 2016. The majority of reports were from Gauteng (46%), KwaZulu-Natal (13%) and the Western Cape (8%). Bribery was the most common form of corruption, constituting 27% of all reports in 2017.

Overview of CSI spend

Social justice and advocacy was supported by 8% of companies and received less than 1% of CSI expenditure in 2018.



- Types of social justice and advocacy interventions were measured for the first time in 2018, with **constitutional awareness and education** topping the list at 30% of spend on this category.

Topical: Collaborative long-term investment needed for systemic change

Development stakeholders have heard the question many times: with considerable monetary investment from government and the private sector (companies in South Africa contributed R153 billion in CSI funds in real terms between 1998 and 2018), what lasting social change is being made? While social justice and advocacy work may be confused for political and adversarial initiatives, it is ultimately focused on ensuring equitable and systemic social change. Mark Heywood, executive director at SECTION27 explained that, "contrary to popular thinking, social justice work can, in fact, be pro-government. SECTION27, for example, works well with the Department of Health – examining which Constitutional rights to access to healthcare are not being met, and helping to facilitate solutions."

During the anti-apartheid movement, the call for social justice was robust and concerned with the abolition of racial segregation, discrimination and the promotion of the rights of women, workers and other vulnerable people. According to the Social Justice Initiative (SJI), social justice projects in South Africa today focus on economic justice, public participation and socioeconomic rights, accountability and improved access to public services. Companies committed to realising lasting social change must evaluate how their existing social responsibility programming can be deepened through advocacy. For example, a company investing in education programming could consider supporting or partnering with civil society organisations that advocate for policy changes in that sector. Companies can also invest in research, which will help to inform policy as well as more strategic and collective interventions, or drive thought leadership on an issue, from a business perspective, by participating in media interviews and authoring opinion articles. Crucially, funders of social justice and advocacy must be prepared to invest for the long term. ■



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please visit www.giving.org.za**



THE AVBOB

AVBOB believes that Corporate Social Investment (CSI) requires far more than a once-off donation to a worthy cause, and has to be aligned with their long-term goals and objectives.

For the past 100 years, **AVBOB** has provided specialist funeral insurance and burial services to South Africans from all walks of life under one roof.

During 2012, the **AVBOB** Foundation was established as the vehicle for **AVBOB**'s CSI initiatives. Its flagship container library project commenced in January 2013 when the first of originally ten planned libraries was donated to a primary school in Tembisa.

The project was a runaway success and was subsequently increased to 50 libraries pledged to the Department of Basic Education to be delivered over a five-year period. To date, all 50 of those libraries that were pledged by **AVBOB**'s chief executive officer (CEO), Frik Rademan, have been donated to schools across South Africa. On 25 July 2018, Mr Rademan pledged to the Department of Basic Education a further ten container libraries to be delivered during 2019-2020, bringing the total number of libraries donated to 60.

The libraries – worth approximately R500 000 each – are constructed from:

- Refurbished shipping containers that are equipped with solar panels (capable of powering computers and lights)

- Wooden laminated floors
- Bookshelves
- A blackboard
- Tables and chairs, and approximately 3 000 brand-new books.

Rademan believes that “dedication and commitment in developing literacy in our schools is not only the responsibility of partners and sponsors, but, most importantly, it rests with the worthy recipients of our prized libraries”.

Education is a societal issue and the container library project will have a long-lasting positive impact on the lives of thousands of young learners, and has already benefitted communities countrywide and positioned **AVBOB** as a strategic partner to the DBE.

**Each library contains
±3 000 brand-new books**

 = 1 container library

**5 YEARS
50 LIBRARIES**



FOUNDATION

THE AVBOB SCHOOLS INFRASTRUCTURE PROJECT:

On International Mandela Day (18 July) 2017 at Joe Solomon Primary School in Bloemfontein, **AVBOB**, in partnership with the Department of Basic Education (DBE), announced its intention to invest R150 million in the renovation, refurbishment and building of schools across the nine provinces in South Africa. **AVBOB** envisages that this investment will have a profound impact on the lives of young learners across the country.

SANITATION PROJECT: On 13 August 2018, **AVBOB** CEO, Mr Frik Rademan, in collaboration with the President of South Africa, His Excellency President Ramaphosa, and Minister of Basic Education, Honourable Mrs Angie Motshekga, pledged R15 million of the above investment towards the Schools Sanitation Project.

AVBOB TROLLEY LIBRARIES: Due to the success of the container library project, **AVBOB** received a number of enquiries from smaller, underprivileged schools. As part of the **AVBOB** Foundation's strategy to ensure that public schools that have fewer than 600 enrolled learners are also accommodated, **AVBOB** Industries manufactures trolley libraries, in a wide range of models, which are available for order through the **AVBOB** Foundation.

MZANSI YOUTH CHOIR: In 2015, the **AVBOB** Foundation adopted the internationally-acclaimed Mzansi Youth Choir and has been sponsoring the choir and some sixty choristers annually. The Mzansi Youth Choir was established in July 2003 with the objective of affording talented, underprivileged teenagers and young adults (aged between 14-24 years) the opportunity to perform locally and abroad. The choir has graced local and world stages, including performing at the Royal Albert Hall in London.

DIEPSLOOT KASI HIVE: The Diepsloot Kasi Hive (DKH) consists of a group of dynamic young entrepreneurs who have been trying to make a difference in their community for many years but have,

due to a lack of funds, struggled to achieve their goals. Towards the end of 2015, the **AVBOB** Foundation took DKH under its wing when it decided to sponsor the young entrepreneurs. The DKH members were awarded an opportunity to undergo an accredited training programme, and the **AVBOB** Foundation established a vegetable tunnel for them with the aim of developing a commercially viable business that will be sustainable in the long run. On 25 November 2016, the DKH team had their first harvest, whereafter their produce was sold to members of the community.

It takes great courage to step into the world and make it a better place for all. It requires determination, passion and dedicated people to turn dreams – or a vision – into a reality. **AVBOB** is dedicated to the vision of a great South Africa, and it is our intention to invest in the youth of this country, who have the potential to create a brighter future for themselves and their communities.



GET IN TOUCH AND HELP TOUCH LIVES

For more information on **AVBOB** and the **AVBOB** Foundation and their initiatives, visit

www.avbob.co.za



We're here for you

Since 1918



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CHAPTER THREE

In-depth profiles of select companies' CSI strategies, approaches to, and lessons in development.

Absa

Being a force for good in society

Absa's new strategy reflects our African identity. We are firmly committed to playing a shaping role in society.

Bringing possibilities to life: Absa's new strategy

The Absa group embarked on a journey to become a fundamentally different, disruptive and digitally led bank; making some critical choices that shape the business and brand strategies. One of the key decisions is for the business to **become an active force for good in society**. With that, our new purpose and strategy, at the heart of which is growth, will be driven through three strategic priorities and three enablers, one of which is **playing a shaping role in society**.

With this enabler Absa's ambition is to become a leading, purpose-orientated, African bank that is systemically rooted in the countries it serves and which recognises that our own sustainability is directly linked to the sustainability of the communities in which we operate.

We will help shape society by:

- **Bringing fresh thinking and thought leadership** to accelerate innovative solutions to societal challenges
- **Contributing to the societies** in which we operate and aim to enhance the continent's growth and development
- **Caring for our environment** and helping others to do the same

We want to bring the same innovation and collaboration to fulfilling our role in society as we do to developing new products and services. We want to go beyond words and lead by doing.

Absa's new strategy



© Rogue

Our journey towards playing a shaping role in society

In 2015 Absa launched its Shared Growth strategy. Shared Growth was based on the principle of creating shared value for the business, the customer and our community. This approach focused on three strategic areas linked to business capability: Education and Skills development, Enterprise development and Financial inclusion.

Within the focus on Education and Skills development we focused primarily on providing access to education through our scholarship programme and employability through the ReadytoWork initiative, which is a flagship initiative implemented in all our African markets.

By the end of 2017, through our scholarship programme, we had supported 6 128 students with university scholarships. So far, 1 306 have graduated with degrees ranging from Commerce, Engineering, Humanities, and the Science and Technology fields.

As part of our financial management and literacy training, which is an enabling arm of the Financial inclusion pillar, we have also supported the administration of the public schooling system, training 14 228 school governing body members in financial management and governance across 3 563 schools in South Africa. This has been a very successful programme performed in collaboration with the Ministry of Basic Education.

In our bid to support youth with their transition from the world of school to the world of work we curated ReadytoWork, an employability training programme that supported youth across all our markets in Africa. Through our ReadytoWork programme we have provided face-to-face training to more than 265 000 young people across Africa and placed nearly 20 000 of them in jobs or work-experience positions.

Access to education remains one of Africa's biggest challenges. Absa has included Education and Skills development as a core citizenship priority for many years now. Our commitment to bringing possibilities to life for our youth will continue, both in school and in the workplace through scholarships and the ReadytoWork programme. Absa will also use its expertise and insights to develop leadership and skilled capacity among African educators and agencies with more tailored institutional support programmes. Education will remain a core focus of how we create value and play an active shaping role in society.



With these gains our new strategy allows us to set a fresh course, building on our Shared Growth strategy, we are developing a new strategy that allows us to go beyond the principles of creating shared value to becoming a more active force for good. The principles of shared value form the foundation of our approach to being a good corporate citizen. Absa's success cannot come at the cost of the communities we serve and the natural environment in which we operate. That is why we are committed to integrating environmentally responsible and socially conscious practices with sustainable, trusting relationships with our customers and communities.

We know that everyone wants to be recognised for who they are and what they can achieve, and that's why we connect people to opportunities that make what's possible, real. In our effort to do best for people and planet, we have defined a Social Promise fit for unlocking the continent's potential to actively shape our societies and promote sustainability, thereby becoming an active force for good.

We will do this through the following four strategic priorities:

- 1 Creating value and shaping society to establish economies that serve business, communities and people**
 - Socially and
 - Economically
- 2 Leading strategic engagements to build social capital as an organisation that is truly African, with Africa's interest at heart in promoting:**
 - Fairness and
 - Reliability
- 3 Promoting sustainability, to ensure viable communities through:**
 - Environmental and
 - Community consciousness
- 4 Drive thought leadership to surface and harness the innovative potential of Africa through:**
 - Leading insights and
 - Relevant innovation

As an organisation we will test our decisions against our Social Promise of doing the best for People and Planet. We recognise that our social impact is far broader than the provision of financial services or our progressive commitments to education. We are on a journey to harness technology and transform our organisation to benefit our business, our employees, and the people and communities that we serve. As an African business we have a vested and long-term interest in supporting growth and development on the continent.

As Absa looks to the future, it strives to lead the conversation and action on the biggest challenges facing Africa – and we will invest our time, expertise and views to the causes that we believe can have the greatest impact. We will actively champion the right social outcomes for an Africa we want to be part of by driving thought leadership, promoting sustainable practices, creating value and facilitating strategic engagements.

The new Absa will drive dialogue and debate on critical development issues affecting communities in our markets. As an African banking group we will advocate for African solutions to African problems. This remains a journey for our business. We are proud of the work we have already done to contribute to the growth of our communities but we know we still have much to learn from our stakeholders. We are planning major new commitments in the months and years ahead, and we will depend on the support of communities to guide our strategy.

This is just the beginning. Watch this space as we work to bring Africa's possibilities to life.



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EXXARO

Powering possibilities through enterprise development

At Exxaro, investment into enterprise and supplier development (ESD) is being embraced and prioritised. The mineral resource company, which has proven its commercial resilience by diversifying its interests into renewable energy, demonstrates thinking that is both strategic and socially aware while remaining mindful of the need to future-proof its business beyond mining. With operations across some of the poorest nodes of the country that traverse the coal belt, Exxaro is well placed to use its influence and footprint to build a socially inclusive business that not only invests in local communities, but leverages its own assets and resources to create new opportunities for the economically excluded.

Exxaro's broader corporate social responsibility strategy is aligned with the National Development Plan, the Integrated Development Plans of the municipalities in which it operates and the global Sustainable Development Goals. It is committed to being a positive force for social change and economic empowerment.

Following a recent review of its socioeconomic development strategy, Exxaro will continue to invest in education, health, environmental and ESD initiatives, in order to build sustainable communities and create shared value.

Creating shared value

While achieving legislative compliance in accordance with the Mining Charter and Broad-Based Black Economic Empowerment (BBBEE) Codes of Good Practice are important benchmarks for performance, they are not the only driving factors influencing Exxaro's approach to corporate citizenship. ESD is embedded in the company's approach to both sustainability and economic empowerment and Exxaro's performance indicators take an integrated view of success that considers supplier diversity, building sustainable enterprises, driving innovation and achieving social impact in a holistic sense.

Exxaro is regarded as one of the landmark mining companies that exemplified black economic empowerment from its outset and has been at the forefront of transformation for more than a decade. By applying some very astute lessons on how to develop a socially inclusive enterprise, Exxaro is helping to build sustainable supply chains and emerging enterprises.

According to Lusapho Njenge, manager of Exxaro's ESD programme, who has nearly two decades' worth of experience cultivating emerging enterprises and supporting entrepreneurs, the first three years of an emerging enterprise's life are critical to its future survival. "Investors need to commit long-term support to build systems that not only develop the business but also invest in the person," explains Njenge.

Exxaro's strategic approach to development:

Legislative compliance | All Exxaro's business practices are aligned with the regulatory framework that governs mining. The ESD programme therefore functions inside the parameters of the Mining Charter, while readying itself for the anticipated revised iteration. Exxaro complies fully with all DTI Codes of Good Practice and aims to achieve a level 3 BBBEE rating by 2020.

A self-sustaining programme | Exxaro assures financial sustainability of the enterprise development programme by offering blended financing options that may include either no-interest loans, low-interest loans, grants and equity options or a combination of all of these. The available ESD fund is currently in excess of R200 million.

Supplier diversity | Underpinned by transformation targets that prioritise black, female and youth-owned enterprises, Exxaro is committed to bringing new suppliers into its value chain that meet the highest level of preferential procurement scores. It also invests in a diversity of suppliers so as to de-risk concentration and an uncompetitive supplier base.

Innovation | Exxaro chooses to invest in emerging enterprises with high growth potential that can rapidly expand, to create broader societal economic returns and employability. It also actively seeks out businesses outside of the mining value chain, in sectors such as agri-services, water solutions or renewable energy, with the understanding that mineral resources are finite and succession planning is key to economic sustainability.

Social impact | By responsibly investing in commodities that can be safely mined while economically empowering people, the company's success relies on strong collaboration and relationships with its host communities. By focusing on social cohesion and sustainable community development informed through stakeholder consultation, Exxaro aims to have lasting social impact that not only creates employment but improves the quality of lives for its suppliers, employees and communities.



From finance to farming

Thulani Dube recently benefitted from an enterprise development grant that will help him scale and automate his poultry business. Located in Bronkhorstspuit, Dube has emerged as a highly adaptive entrepreneur who left behind a career in finance to embark on a new path in farming. After a commodity downturn in 2016 Exxaro was forced to offer voluntary retrenchment to some of its workers and Dube was among those affected. Rather than face the discouraging shortage of jobs and an indefinite term of unemployment, Dube used his severance package to purchase a piece of land and set up a chicken broiler operation.

While many emerging farmers feel poultry is a tough market, crowded out by cheap imports and weighed down by high input costs and health regulations, Dube saw only opportunity for growth.

Inspired by his namesake and family totem, Dube (which means 'zebra') named his business Zebra Force General Investments (ZFGI). ZFGI Monumental Chickens is the first entity that was created out of this holding company and Dube has imitated the diversified success of his sponsor by expanding into building contracting, carried out under ZFGI Construction.

While he has no technical training in farming, he embraced the new challenge by studying up on farming using online resources. He also completed an MBA at Stellenbosch University to solidify his business acumen. From Exxaro's perspective, it is likely the quality of the candidate who showed strong leadership, financial literacy and an already operational business, that made for a compelling funding application.

ZFGI Monumental Chickens received an R8.9 million grant for capital expenditure and infrastructure improvements that will enable the business to triple its existing annual turnover of R4 million – provided off-take agreements can be secured.

Modifications to the existing six chicken houses that will automate clean drinking water, heating and feeding for the chicks until they reach their full size, will enable Dube to more hygienically and efficiently increase his brood from 16 900 to 52 000 birds per coop. The investment will also provide

solar fencing to secure the perimeter, and contribute to the construction of employee housing for 20 staff members.

"I see many farmers collapsing under the weight of input costs, so if we can reduce our cost burden of electricity by using renewable energy and eventually produce our own chicken feed, we are likely to be more profitable," explains Dube.

He also has plans to build a new abattoir facility that will further assist in saving outsourcing costs and essentially create a circular economy by selling the chicken manure to fresh produce farmers.

In return for the R8.9 million grant that is being strategically applied to expand the business, Exxaro will be credited with building a commercial-scale agribusiness enterprise that employs 20 people directly and benefits up to 100 people across the value chain.



From mining graduate to contractor

In the eyes of Moshe Mohutsiwa, a recent recipient of both a loan and a grant, the Exxaro ESD programme has been the stuff of dreams. Mohutsiwa, who is the founding partner of Tshiamo Resources, was recently awarded a 12-month contract to provide mining rehabilitation services at Arnot Coal Mine.

A recent Masters graduate in mining engineering, Mohutsiwa has been working in the mining sector for over 10 years and believes that he would not have been ready to build his business responsibly without the discipline and skills he acquired in employment. Now, operating independently, Tshiamo Resources has grown organically over five years to offer commodity trading services in minerals, consulting services and contract mining. Mohutsiwa is now applying his knowledge in the field to remove mine water, close down shafts and rehabilitate the opencast pit at Schoonord.

While Tshiamo was successful in obtaining a contract worth R18.3 million from Exxaro that will conclude in September 2019, the young state of his business meant a substantial amount of this would have been directed to plant hire to service the project. Funding in the amount of R13.7 million, made up of a no-interest loan of R12.8 million and a grant of R915 000, has enabled Mohutsiwa to purchase a new hydraulic excavator and two articulated dump trucks that will now become working assets of the business – allowing him to secure future contracts more profitably. In return, Mohutsiwa can employ 18 people for the duration



“Exxaro’s process has been seamless. They have been highly efficient in expediting the loan application and contract, and monthly payments have arrived timeously, showing a genuine awareness of how important cash flow is to a fledgling business,” says Mohutsiwa.

of the contract and will likely retain four as permanent staff to operate and service the equipment on future projects.

For Exxaro, the social impact of 18 jobs created is immediate and for Tshiamo Resources, the loan and grant that may never have been secured through a commercial bank because of an absence of historical turnover, has created a motivated entrepreneur. Thanks to Exxaro, Mohutsiwa is well on his way to building a sustainable business that will be profitable in just two years.

Vision for an empowered future

In 2017, Exxaro had exceeded the Mining Charter requirements by 40%, by procuring 70% of its capital expenditure needs and 80% of services from BBBEE entities. Efforts to empower more people with disabilities through ESD and employment are being strengthened.

Diversity lies at the heart of its sustainability strategy. The rationalisation that a dependency on mining when minerals are a finite resource, with commercial success often largely determined by external factors such as markets and commodity prices, has led to Exxaro investing in other sectors. By leveraging its existing assets such as rehabilitated land, Exxaro is growing its investments in agriculture and the resulting agribusiness value chain, water solutions and renewable energy.

Exxaro has been ramping up its commitment to ESD by improving systems and processes that will make management and monitoring of the ESD fund function better. Enterprise walk-in centres are now available at all mining locations for communities to inquire about opportunities and business support is available to assist with proposals and budgeting. New streamlined processes mean that beneficiaries receive their grants and loans timeously and mentorship support is available for fledgling businesses in need of shepherding.

“We pride ourselves on being innovative, and we want our communities to view us as partners in their future success,” says Njenge.



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THE HOLLARD TRUST and Kago Ya Bana (KYB) “building together for children”



The KYB ECD Enterprise Incubator

Working together with government and the early childhood development (ECD) ecosystem partners to provide the right package to both kick-start ECD businesses, as well as stabilising existing ECD businesses, whilst simultaneously helping government realise the NDP's vision of universal access to ECD by 2030 and enabling corporates participating to earn Enterprise Development points under the DTI Codes

KYB ECD Enterprise Incubator is the crucial third component of KYB's whole ECD Solution, which also encompasses *municipal change management*, a system-wide process with municipalities to improve and build their capacity and processes effectively to deliver ECD services, and KYB's *hub and spoke* model, working to deliver quality ECD in the actual communities where the children are physically located – a founding principle of KYB.

ECD is recognised globally as the most critical building block in a child's successful path through school and life. Investment in ECD is the most powerful investment in human capital that a country can make. KYB Enterprise Incubator focuses on identifying opportunities where private sector funding can be used to improve resources and infrastructure for ECD practitioners, which, in turn, unlocks existing government funding, giving both ECD practitioners and children a better outcome. KYB Enterprise Incubator is a three-pronged package: offering private infrastructure investment to make the ECD space safer for children, e.g. by installing toilets and fire extinguishers; seed funding to kick-start the new enterprise; and capacitation of the new business by training the ECD business owner to deliver quality early learning.

Women-owned enterprises are at the heart of the solution

Women are integral to the delivery of ECD. In order to reach more children – and especially those children not currently accessing any form of quality ECD – South Africa needs more women owning and running successful ECD enterprises.



Nomsa's story

Nomsa Phafana (pictured above), herself a mother of three, started her ECD business in September 2015 in Vlakfontein. She noticed that children from loving and caring families didn't play in the street all day and that the children who did were mostly children of teenage mothers. She knew that she could do something about this. When she started her business, she wanted to earn an income, maintain a stable number of children with good attendance and, as her business grew, employ additional trustworthy employees. KYB's stipend gave Nomsa an income to start up her enterprise and help her buy learning materials and improve her classroom. She has learnt to manage money, opening a separate business bank account, how to market her business and – importantly – how to do effective fundraising. Nomsa would now like to open a night-care centre to assist parents who work shifts – ensuring the safety of their children.

Nomsa is just one of over 1 000 day mothers and playgroups, and 500 ECD centres, assisted by KYB

KYB Enterprise Incubator's numbers don't just add up: they multiply. A catalytic private sector investment of R43.6 million supporting 2 400 ECD micro-businesses, teaching 24 000 children, has the ability to unlock R98 million in government funding for these ECD sites.

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Holland.

GlaxoSmithKline

Helping people do more, feel better and live longer

GlaxoSmithKline (GSK) South Africa supports access to medicines, quality healthcare and the wellbeing of the communities in which it operates. In 2016, through its corporate social investment (CSI), the pharmaceutical group committed to funding four projects that aligned with its global CSI strategy, which focuses on the management and prevention of non-communicable diseases (NCDs), the eradication of early childhood malnutrition and the provision of quality healthcare for children. GSK ensures that the projects it supports also address the psychosocial effects of illness on affected children and their families.

Prevention, management and control of NCDs

The National Development Plan 2030 envisions an accessible health system that will produce positive health outcomes for everyone and aims to increase the life expectancy of South Africans to at least 70 years. GSK is committed to helping to realise this national goal by supporting the prevention, management and control of NCDs such as obesity, hypertension and diabetes.

A GSK health survey found that 61% of South Africans are either overweight or obese – almost double the global prevalence of 30%. The occurrence of both conditions among children in South Africa is comparable to rates that were found in developed countries more than a decade ago. Weight is an important determinant of health and being overweight or obese can lead to adverse metabolic changes, including increased blood pressure, high cholesterol levels, resistance to insulin and obstructive sleep apnoea. Obesity raises the risks of coronary heart disease, stroke, diabetes mellitus and many forms of cancer.

GSK has invested more than R30 million into its Prevention, Management and Control of NCDs project, run in partnership with Amref Health Africa at community and health facilities in five districts across Gauteng and Limpopo.

Core components of the project include:

- Strengthening regional health training centres to build human resources in the health sector, and particularly to address the skills gap in managing NCDs
- Developing the skills and capacity of community health and health facility-based workers
- Raising awareness about NCDs, the importance of early detection and adhering to treatment once diagnosed, and motivating for the adoption of healthier lifestyles

- Researching strategic information to inform policy, planning and practice at district and provincial management levels
- Increasing and sustaining community health workers' involvement through accredited training.

To date, nearly three million adults and more than 100 000 youth have been reached through awareness campaigns and 877 professional health workers and 1 226 health promoters have received in-service training on NCDs.

This project has also supported the development of a five-year government strategy to inform the control, prevention and management of NCDs in Limpopo, as well as the development of a concept paper to conduct research on NCD screenings in public health facilities.

Improving children's health and nutrition

GSK South Africa supports Save the Children South Africa (SCSA) to present Sireletsa Bana, a project that aims to, by 2019, reduce morbidity and mortality rates among children under the age of five who live in the Free State and Limpopo. The three-year partnership commenced in 2016 and aims to help build the capacity of 1 050 frontline community and primary health workers and 900 early childhood development (ECD) practitioners, to improve the access and quality of essential health services for 22 500 children under five years old and 11 250 parents and primary caregivers.

The project includes:

- Timely treatment for children who have been identified by SCSA as vulnerable
- The provision of support to parents and caregivers in target communities, to ensure children's improved nutrition



- The distribution of more than 10 000 English, Sepedi and Sesotho booklets and other paraphernalia to ECD and primary healthcare centres, to ensure the dissemination of information on child development
- Initiatives to encourage mothers to breastfeed, including the establishment of breastfeeding support groups
- ECD forums that educate ECD practitioners and nurses on nutritional guidelines, growth monitoring and early identification of moderate and severe acute malnutrition in young children.

To date, this project has directly benefitted 57 614 people and 226 ECD and primary health centres and has indirectly benefitted 908 053 people and 107 ECD and primary health centres.

Support for the establishment of a paediatric surgery outpatient department

Surgeons for Little Lives is a medical non-profit organisation that was launched in 2015 to provide children from disadvantaged communities with lifesaving medical interventions. The organisation is primarily run by paediatric surgeons and nurses working in public hospitals in Gauteng.

GSK South Africa was one of the primary sponsors and steering committee members of Surgeons for Little Lives' key project: the establishment of a paediatric surgery outpatient department at Chris Hani Baragwanath Academic Hospital in Soweto. Previously, the outpatient facility at the hospital was a small two-roomed prefab building. One room served as a waiting area for up to 80 patients and their caregivers. The other was a consulting room, with up to eight doctors consulting patients at a time. In addition to a lack of space and privacy, there were also no ablution facilities.

Since the hospital serves children from all over southern Africa, it was also deemed necessary to construct a sleepover facility that could accommodate parents of sick children (from infants to 10 year olds), alleviating significant travel time for parents and separation anxiety for families who were already under stress. To date, the hospital has benefitted approximately 18 000 outpatients, 1 560 inpatients and their caregivers.

Fostering confidence and resilience in children with serious illnesses and disabilities

Just Footprints Foundation (JFF) and Serious Fun Children's Network – a global community of over 30 camps and programmes – provides children and their families isolated by serious illnesses, life challenges and disabilities with an innovative and lifechanging experience that fosters confidence, independence and resilience.

JFF hosts camps for children living with cancer-related illnesses and blood disorders being treated at Chris Hani Baragwanath and

Charlotte Maxeke Hospitals in Johannesburg; Steve Biko Academic and George Mukhari Hospitals in Pretoria; Red Cross Children's Hospital, Groote Schuur and Tygerberg Hospitals in the Western Cape; and Nkosi Albert Luthuli Hospital in Durban and Greys Hospital in Pietermaritzburg, in KwaZulu-Natal. The pediatric oncology units at public hospitals in Gauteng also draw children from other provinces such as Mpumalanga, North West and Limpopo.

JFF is looking at expanding their cancer and blood disorder camp programmes to Bloemfontein in the Free State for children being treated at Universitas Hospital and to the pediatric oncology units at the Port Elizabeth Provincial Hospital and Frere Hospital in East London, in the Eastern Cape. JFF also hosts camps for children from Gauteng and KwaZulu-Natal infected and affected with HIV/ Aids, intellectual and physical disabilities.

With funding support from GSK, the JFF camps aim to advance psychosocial interventions that aid clinical health interventions for the children and their families. More than 1 000 children have participated in the camps since 2016 and other outreach programmes have reached an additional 359 children and 152 volunteers.

Sustainable healthcare solutions

GSK contractually engaged its implementing partners in 2016, for three-year periods each, with the aim of providing support that would help the organisations to become self-sustainable. Both Amref and SCSA have developed their own training programmes that create independent sources of income. Surgeons for Little Lives is a complete and functional paediatric hospital, making immeasurable impact not just in Gauteng, but across the southern African region.



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INDUSTRIAL DEVELOPMENT CORPORATION

Holistic and sustainable school development

The Industrial Development Corporation (IDC) is mandated to promote industrial development and job creation in South Africa and the rest of the African continent. Since a strong skills base is key to building a robust and globally competitive manufacturing sector, the IDC's corporate social investment (CSI) activities are centred on growing the potential of the country's human capital by supporting education, skills development and entrepreneurship. In 2013, the IDC set out to deliver holistic and sustainable solutions to schools. It established a long-term partnership with the Adopt-a-School Foundation, which uses a whole school development model to address the academic, infrastructural, social and security environments in 'adopted' schools – some of the most under-resourced and marginalised in the country – to ensure that they are conducive to excellence in teaching and learning. Since then, the IDC has invested R100 million into 20 high schools and 10 primary schools across the country.

Whole school development

There are a multitude of education interventions underway across the country. However, piecemeal and fragmented interventions are likely to have limited impact, especially in the context of an otherwise 'dysfunctional' school, in which the capacity to integrate resources into teaching may be constrained. Unused school libraries and state-of-the-art computer labs being used as storerooms are not uncommon outcomes of an approach that fails to consider the organisational capacity of the beneficiary school.

The whole school development model, which aims to strengthen the overall functionality of schools, recognises schools as whole organisational systems that, with the necessary management and community leadership, can realise the ultimate goal of improving learner outcomes. The incorporation of learners' overall wellbeing into the school interventions is another hallmark feature of the whole school development approach.

Adopt-a-School uses a four-pillar framework to define a well-functioning school. The objectives of the programme are structured around these and can be summarised as follows:

- i. **Leadership and management** to facilitate excellent school management processes with visionary leadership
- ii. **Infrastructure and resources** to provide adequate, well-maintained school infrastructure with appropriate resources
- iii. **Curriculum and co-curriculum development** to improve the levels of teaching expertise and achieve consistent high academic performance
- iv. **Learner wellbeing and community involvement** to facilitate a safe school environment that is attentive to the social wellbeing of learners and enables the involvement of parents in the school community.



* Based on the Adopt-a-School Foundation model.

Adopt-a-School uses criteria in each of these four areas to categorise schools according to their level of functionality, as 'exceptional', 'functional' or 'dysfunctional'. This is a structured way of diagnosing what type of intervention is most appropriate for the school. Typically, 'dysfunctional' schools struggle to cooperate with development partners, whereas schools that are 'functional' are able to work with development partners to improve learner outcomes.

Prioritising school leadership

The whole school development model places leadership and management at the centre of school improvement. The model aims to ensure that 'adopted' schools have the necessary management and community leadership to support an environment that is conducive to excellent teaching and learning. This includes the school governing body, the school management team, the principal, teachers and even senior learners through learner representative councils.

The rationale is threefold:

- i. By strengthening and capacitating school leadership, the system is strengthened and can be leveraged to raise the functionality of the school in all areas of development.
- ii. Capacitating leadership is more likely to lead to outcomes that will be sustained, even once the programme comes to an end and donors exit.
- iii. Involving school management in the change process is more likely to enable a tailored approach that addresses particular challenges that a school may be facing.

As such, leadership was the first intervention at all the high schools adopted by the IDC. For most, this entailed participating in leadership and strategic workshops – a process that none of the teachers or school leadership had been exposed to before, and which was rated highly by all participants. The workshops also proved to have a positive effect on the morale and attitudes of school management staff, with one staff member saying that “after the workshops, the teachers were so eager and enthusiastic, it was incredible, you could see such a remarkable difference”.

The project review underscored the importance of a cooperative and constructive relationship between the school and the department of education in each circuit. Where the school's leadership has a good relationship with the local education officials this enables better functioning of the school.

Significant investment in infrastructure and resources

The IDC provided significant infrastructural and resource support to its adopted high schools, including the construction of 43 classrooms; the renovation of 35 classrooms; the construction and renovation of science laboratories at 18 schools, along with the provision of equipment and teacher training; the construction and upgrading of ablution facilities at eight schools; the construction of two feeding scheme kitchens and two nutrition/dining centres; the construction of administration facilities at three schools; and the renovation of computer rooms at seven schools.

An external review of the programme found that these facilities were well used. In some schools where science laboratories had been built, after-hours use of the facilities was extended to neighbouring schools. Most schools also reported that infrastructural developments had improved overall school pride.

Supporting literacy to unlock learner performance

Despite broad consensus that school interventions should be holistic, the reality of limited resources means that all school needs cannot always be met. At the initial leadership and strategic workshops, Adopt-a-School consults with school leadership and management teams about their schools' most urgent needs and the interventions that they believe should be prioritised. Adopt-a-School also conducts annual check-ins with the school management teams, about their requirements for the reprioritisation of projects.

It is also important to incorporate best practice into the programme design, even if this means making adjustments along the way. Notwithstanding increasing emphasis on the importance of early childhood development, the national discourse on education tends to emphasise matric pass rates, and pass rates in maths and science in particular. As a result, and in the case of the IDC-adopted schools, there is a tendency for school interventions to focus on maths and science-related interventions for grade 11 and 12 students. However, there is mounting evidence that, after poverty, proficiency in the language of instruction is the most significant factor impacting learner performance.

While working with its adopted high schools, the IDC identified the need to start interventions in earlier grades, in order to improve matric results. Based on this, in 2015, the IDC adopted 10 primary schools in which it has done a lot of work in literacy programming, including the construction of libraries. This was a departure from the IDC's approach with its adopted high schools, at which maths and science were prioritised. However, in the spirit of the whole school development approach, the IDC recognised the importance of addressing needs in language and literacy at a foundational level.

Way forward

The IDC will continue its partnership with Adopt-a-School, exiting some of the schools and adding two additional schools to the programme. Where necessary, the IDC will conduct additional leadership workshops. Through these workshops and other mechanisms (such as MOU agreements and stakeholder meetings), they also plan on assisting schools to strengthen their relationships with the Department of Education in each circuit.



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MONDI

Forging new partnerships to bring early learning to remote communities

Building on the success of the Mondi Mobile Clinic Programme in which about 300 000 people living in over 200 remote communities have benefitted from primary healthcare services since 2008, Mondi has forged new public-private partnerships with the Department of Social Development (DSD), Department of Health, Thol'ulwazi Thol'impilo and Cotlands, to roll out non-centre-based early learning services.

Innovating to maximise resources

The idea of bundling social services such as health and education was inspired by years of consultation with stakeholders and partners. Monitoring and evaluation data from the Mobile Clinic Programme showed that over 13 000 children under the age of five accessed mobile clinic services. Nurses and social workers noted how children accompanying their parents or caregivers lacked activities to keep them occupied.

The low density of settlements in a rural area means that the services provided by an early childhood development (ECD) centre is not always easily accessible for all the children in a rural community. Additionally, while the government has done well to regulate ECD by prescribing norms and standards for early learning centres, the high costs associated with setup, equipment and achieving compliance have translated into a barrier for many remote communities who may not have the resources and numbers of children required to ensure that their ECD centres remain viable. The Mkhondo Mobile Clinic and Toy Library Project is therefore an ideal solution for reaching this demographic.

By adding a towbar and trailer to an existing mobile clinic vehicle, the Mkhondo Mobile Health and Early Learning Project* has introduced a play-based approach to early learning that is removing the barrier of geographical access for remote communities. A toy library stocked with educational toys, together with equipment for a remote play station now goes out to 16 remote communities on its monthly visits, reaching up to 300 children under the age of five. Additional playgroups meet three times a week to reinforce play-learning.

Igniting potential through play

Dr Monica Stach, CEO of Cotlands, who recently earned her doctorate for researching the role of toy libraries in the provision of play-based learning opportunities for young children, has helped to position Cotlands as an authority. "Our first toy library dates back to 2008 and functioned as a fixed space. As leaders in the field, we have been involved with building many ECD centres and the associated costs have made this prohibitive for rapid rollout. It was not until 2015, as a result of new policy, that we began to look at ways to be more geographically flexible and inclusive," says Stach.

Cotlands is a non-profit organisation that offers training and capacity building to help communities develop early learning resources and skills that can be replicated and scaled. Since Cotlands already has a footprint in Mkhondo District, they were well positioned to serve as an implementing partner. As part of their corporate social investment (CSI), Mondi sponsored the purchase of the trailer and all its equipment, totalling R300 000, while Cotlands has taken ownership of the toy library and its operational management.

Cotlands is also responsible for identifying and recruiting people in the community for training opportunities and the programme has already yielded five permanent skilled jobs.

A toy librarian helps to stock the trailer and ensure functional variety. The librarian's role is to provide an inventory of educational toys for playgroups that help to develop numeracy, language and fine motors skills, while the early learning facilitator is the person responsible for guiding the playgroups and implementing structured Cotlands lesson plans compliant with the Department of Basic Education. Each facilitator must exhibit very particular aptitudes for working with children, including patience, empathy and the ability to relate to children on their level while teaching a blended curriculum of creativity, socialisation and academics. These candidates undergo six months of rigorous training with eligible candidates enrolled to complete a level four qualification, accrediting them as ECD practitioners.

DSD also plays an active role in the programme by committing to pay the stipend of early learning facilitators delivering the playgroup sessions. As the national custodian of children under the age of five, DSD is committed to raising the number of trained professionals who are skilled in early learning education and views the early learning facilitator role as an interim step towards becoming a fully-fledged ECD practitioner who is capable of running their own centre.

Child safety has become an increasingly important topic as South Africa grapples with an alarming rate of violence against women and children. The access to social workers through the bundled service means that any child identified as a potential abuse victim by the facilitator can immediately be investigated by a social worker.

“Mondi’s experience with operating the mobile clinics and toy library demonstrates that the more committed the partners are, the more likely a programme will survive and become sustainable.”

The mandate for the Mkhondo Mobile Health and Early Learning Project is clear and visible as it travels through the region:

“Sitholimpilo. Sifunde Sidlale –
We get healthy. We learn and play.”



Advantages of non-centre-based integrated services

- Eases burden on single mothers who need to visit a clinic
- Children are able to access health monitoring and immunisation
- Access to social workers, nursing and early learning
- Children not learning in isolation
- Socialisation with other children
- Laying the foundation for formal schooling
- More cost-effective than centre-based learning
- Assessments to track progress towards school readiness
- Potential to add other services, such as accessing SASSA grants and documents
- Ideal point to educate parents on nutrition and hygiene

Leveraging partnerships for CSI

As a global company, Mondi’s approach to CSI remains responsive to the needs of its host communities and differs from country to country. In South Africa, health, education infrastructure and enterprise development remain its focus areas, but its programming would not be effective without deep consultation with stakeholders and local partners. Mondi has learned that having multiple partnerships, as opposed to relying on a single partner, is what ensures the sustainability and ultimate legacy of a programme.

In the case of the Mkhondo Mobile Clinic and Toy Library Project, Mondi has been able to maximise its capital investment by leveraging existing networks and partnerships for implementing capacity.

The business case for investing in early learning

The National Development Plan (NDP) 2030 calls for all children under five to receive a solid foundation in order to reach their full potential in life and this has spurred increased investment into ECD resources by businesses, including Mondi. In 2015, the DSD, in partnership with UNICEF, published a policy statement for more inclusive early learning, by making provision for a non-centre-based approach to education.

When the *National Integrated Early Childhood Development Policy (NIECDP)* was published in 2015, it recognised that a more inclusive approach to early learning was required and made a commitment to ‘leave no child behind’. For Mondi, as the host and development partner of so many remote communities, this was the turning point from which it formulated its approach to ECD. Mondi’s intention is to scale these interventions to all 35 communities serviced by a single mobile clinic and for other corporates to adopt the model for expansion in their own communities.

Mondi invests in multiple programmes across the education value chain, from improving maths and science literacy to sponsoring bursaries. But what inspires Mondi about the Mkhondo Mobile Clinic and Toy Library Project is the possibility of igniting potential in these young children that will hopefully set them up for success in the future.

“We will continue to measure school readiness against our baseline, but for us the most rewarding impact we could achieve is whether a child will be able to link their success in life back to an opportunity provided by Mondi,” said Thokozile Maphule, land manager.

Mapping early learning, from policy to practice

- The Children’s Act, 38 of 2005 is the overarching legislation that protects the rights of children under the South African Constitution and sets out the principles relating to the care and protection of children.
- Section 91 of the Children’s Act defines ECD as addressing the emotional, cognitive, sensory, spiritual, moral, physical, social and communication development of children from birth to school-going age.
- The Children’s Act also lays out the parameters for best practice in ECD.
- The NDP is South Africa’s primary development framework and recognises ECD as a critical component for building a more equal society.
- The NIECDP, published in 2015, advocates for an inclusive approach to early learning and acknowledges non-centre-based approaches, such as toy libraries and play groups, as service delivery platforms for early learning interventions.



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OLD MUTUAL

The far-reaching effects of developing school leadership

Old Mutual is committed to enabling the economic empowerment and financial inclusion of people from under-resourced communities into the mainstream economy by investing in enterprise development, skills development and education. The Old Mutual Education Flagship Project (OMEFP), launched in 2013, set out to invest R350 million over seven years into under-resourced schools. The overarching goal of the OMEFP is to increase the number of bachelor passes of grade 12 learners who study maths and science, so that they are able to access university education, resulting in more professional skills in the economy. As the project reaches its culmination, the Old Mutual Foundation reflects on its evolution, achievements and the lessons that have emerged.

The OMEFP is externally evaluated on an annual basis, to ensure that implementation activities respond to project objectives and are adapted, as needed, to best suit the specific contexts of each of the participating schools. The insight from these ongoing evaluations helped the Foundation to realise early on that its initial whole school development approach – geared towards strengthening the overall functionality of schools as whole organisational systems – ran the risk of being too broad. Acknowledging that more could be achieved with deeper focus on fewer initiatives, the OMEFP model evolved to focus on school leadership development for school management teams and governing bodies, capacity building and teacher development, and limited subject support for learners studying maths and science.

Partnering with expert implementers

The project is implemented in KwaZulu-Natal, Limpopo, the Eastern Cape and Free State, in partnership with expert education organisations: SEED Educational Trust, Columba Leadership, Nelson Mandela University, LEED, PILO, New Leaders Foundation, the University of the Free State's School Partnership Programme, Syafunda and Siyawela. The Old Mutual Foundation has also collaborated with the Provincial Departments of Basic Education and has found early buy-in from government to be a key driver of project sustainability and success.



Service partners

This project exemplifies the value of strategic and multi-partner collaboration in order to better leverage available resources and avoid duplication of efforts, inefficiencies and community fatigue. Old Mutual recently commissioned a research project into the inter and intra-collaboration between the OMEFP and its service partners, with a view to achieving a holistic model for parties to collaboratively address various issues which will contribute to the success of a school, district, circuit or province, ultimately effecting better learner outcomes in South Africa. It is envisaged that the research will result in a framework which can be used in all future collaboration relationships and contribute towards informing the basis upon which diverse corporate social investment (CSI) initiatives can work together for the benefit of multiple stakeholders and beneficiaries in the South African education sector.

This initiative is an attempt to test the effectiveness of collaboration, to craft a more formalised collaboration framework, effectively to manage evaluation of the nature of the project as well as working with different providers with different offerings. The framework will not be limited for use only by Old Mutual and its service partners, but will be made available to other interested parties in the education sector who may see the need for collaboration.



By the end of 2017 the OMEFP had cumulatively reached



In 2017 the OMEFP actively supported 241 schools in the Eastern Cape, Free State, Limpopo and KwaZulu-Natal.

Richard Varha High School: A community's beacon of hope

Richard Varha High School was founded in 1991 in Dimbaza, near King William's Town. The community is characterised by widespread unemployment, poverty and other social challenges. When the National School Nutrition Programme was introduced at the school in 2012, learner attendance increased significantly – suggesting that food security is a challenge for many households in the community. Despite challenging socio-economic circumstances, the school has maintained a matric pass rate above 75% since 2009 (the earliest year for which data is available). In consultation with the Eastern Cape Department of Basic Education, the OMEFP selected to support the school, along with 17 others in the King William's Town school district.

Various initiatives, focused on school leadership and teacher training, have been implemented at the school since 2013. The school has enjoyed the benefits of an unusually engaged and committed governing body that has received support from the OMEFP, through training workshops facilitated by SEED and Siyawela. This school leadership has impacted the quality of teachers that the school has managed to attract; the financial soundness and governance of the school; improved infrastructure; uniform upgrades; improved maths and science results, as well as more students opting to study these subjects; increases in university-qualifying matric results; and growing enrolment rates. Already a source of community pride, the school has become a beacon of hope in its community and is a reminder that school-level stakeholders (principals, teachers, non-teaching staff, parents and learners) are not mere recipients of interventions, but agents who can effect powerful change in their own environments.

A key lesson to emerge from working with Richard Varha High School is that, when there are various initiatives and projects competing for a school's resources – notably teachers' time – prioritisation will take place, even if not explicitly. It cannot be assumed that a school will embrace all initiatives introduced to it. Organisations that want to partner with schools must be committed to investing in the relationship and may need to negotiate the type of support that will be valuable, based on the school's needs, rather than on what the organisation planned to offer.

Early interventions improve education outcomes

The OMEFP has found that matric study camps and other late-stage interventions may impact learner results, but a far more sustainable approach would be to intervene both earlier and later in the education cycle. High school interventions are not geared to address foundational education issues, such as literacy and numeracy. It is therefore important to invest in programmes aimed at improving literacy and numeracy at the early childhood development and primary school phases. Earlier interventions provide a strong foundation from which secondary programmes can take root.

Creating lasting change in education

Despite considerable government spend and CSI, the education sector continues to grapple with a plethora of challenges. To ensure that it is contributing to systemic change, rather than just impacting select cohorts of learners, the OMEFP intends to be replicable and scalable.

Learner-focused interventions need to be repeated each time a cohort moves onto the next phase of their education. However, interventions that aim to impact the schooling system create stronger foundations for educational development. The teacher-targeted intervention in the OMEFP model intends to create sustainable impact since teachers tend to remain within the schooling system for longer than learner cohorts and can continue to imbibe the practices that they have learnt through the project into their schools.

In addition to carefully considering how to intervene, to ensure sustainable change, the Old Mutual Foundation strongly advises other companies and investors in education to forego the 'quick wins' in favour of more meaningful longer-term investment, and to be prepared to invest for a minimum of three to five years before any measurable impact may be observed.

The Old Mutual Foundation is now exploring whether, instead of working with schools only, it can leverage provincial education strategies to focus on leadership, in order to scale the project.

The roll out of the OMEFP will continue until the end of 2019. Following an external evaluation of the project in 2019, and guided by the company's group CSI strategy, the Old Mutual Foundation will determine its future commitment to the project.



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SHELL

Shell LiveWIRE
sparks global
entrepreneurship

The Shell LiveWIRE entrepreneurship programme is the only global corporate-sponsored programme of its kind. As a global programme, it supports entrepreneurs to tap into a wide network of other entrepreneurs and opportunities. A recent review of the programme revealed some interesting insights about how to best structure support for entrepreneurs for the purposes of job creation and creating a pipeline of suppliers in Shell's core business.

The Shell LiveWIRE programme is a global programme that aims to help young entrepreneurs establish businesses. It has been running in South Africa since 1995 and was relaunched in partnership with Raizcorp as LiveWIRE 2.0 in 2014, with renewed emphasis on supporting businesses in high-performing sectors that can feed into Shell's supply chain.

Approximately 3.3 million young people (age 15 to 24 years) in South Africa are unemployed, 60% of whom have never had a job. South Africa also has highly concentrated product and service markets where a few suppliers provide the majority of goods and services in many industries, making it almost impossible for new entrants to stake a claim. Programmes like Shell LiveWIRE aim to address both of these challenges. By supporting previously disadvantaged youth-owned businesses in sectors aligned to Shell's supply chain, Shell is giving these businesses a chance to become a supplier to a global corporate. For most small, medium and micro-sized enterprises (SMMEs) in South Africa, this kind of market access opportunity is rare.

Making SMMEs part of the supply chain also makes good business sense. SMMEs can be more flexible and innovative in providing products and services. They are often also more connected and responsive to local markets. By offering enterprise development programmes, corporates are awarded Broad-Based Black Economic Empowerment (BBBEE) points and can make a valuable contribution to socioeconomic transformation in South Africa.

Shell's LiveWIRE model is unique in South Africa's ecosystem of entrepreneurial support that, according to the Seed

Academy's *The Real State of Entrepreneurship Survey 2017*, is made up of around 340 service providers. In addition to being a global programme, Shell is one of a few corporates that currently provide support for entrepreneurs at the ideation stage of business – entrepreneurs need only have a good business idea in order to apply. The programme is structured across four phases, with 50 candidates starting off on a two-day 'Bright Ideas' workshop. Candidates then compete against one another, applying what they learnt in each phase in a business pitch to a panel of Shell employees and entrepreneurship experts. Only 10 candidates are selected to participate in the third phase of the programme, a six-month 'pre-prosperator' programme, designed to nurture business ideas into viable business plans that are investor-pitch ready. Hopeful entrepreneurs present their business plan to the panel which selects a handful to progress to the incubation phase of the programme. Incubation support is provided to the successful entrepreneurs for between one and three years, depending on the needs of the entrepreneur and their performance and commitment to the programme.

Shell has invested R6.5 million in the programme since 2014, reaching 141 aspiring entrepreneurs. Twenty-seven entrepreneurs have produced business plans to pitch to investors as a result of the programme, and five have received incubation support. In a recent evaluation of LiveWIRE 2.0 by Trialogue, three-quarters of participants surveyed rated the programme as 'excellent' or 'good'. The 34 participants surveyed were found to have created 33 full-time (or full-time equivalent) jobs. Entrepreneurs have seen an increase in annual turnover of between 70% and 500% as a result of the programme. Two-thirds of participants sampled said they gained a better understanding of what it takes to be an entrepreneur, while half said the programme provided them with valuable networking opportunities, including helping them to find new clients. Other benefits reported by beneficiaries included improved governance, financial management and sales and marketing structures and processes in their businesses.

Entrepreneurs on phases three and four of the programme are assigned personal guides in various areas of business such as strategy, finance and marketing and sales. They also have personal guides to help them cope with the pressures that come with building a new business. "[The guides] helped me as a person, the way I think and speak and look at business is completely different. They taught me that I have to be able to solve problems. They taught me how to be brave," said a participating entrepreneur.

According to entrepreneurs, the programme is intense and requires a lot of commitment, but that this is also what makes it so effective.

Shell has procured services from two LiveWIRE 2.0 entrepreneurs to date. Thabitha Malinga had just had an idea when she applied to the LiveWIRE programme in 2014. Her idea was to start a mobile beauty spa that provides treatments in the comfort of your home or office. She was on the incubation support programme for a period of three years and, with the help of Shell, has been able to purchase a vehicle and set up a flagship spa in Midrand. She now employs four full-time and 11 part-time staff. Being on Shell's supply chain has also prepared Thabitha to enter the supply chains of other corporates: "Being a Shell service provider has had a major impact on my business – the moment someone knows you're on [Shell's]



supply chain then they know there must be something you're doing right." Thabitha's plans are to continue growing her customer base while also setting up a beauty training school for which she has already identified premises.

Lloyd Babedi is the founder of Barkzz World, a company that provides motivational speaking and DJ services, as well as branded clothing and corporate gifting. Lloyd did a motivational talk and was the DJ at a Shell team building event in 2016 in Cape Town. He joined Shell LiveWIRE 2.0 in October 2014, with a passion for entrepreneurship and to create work opportunities for people living with disabilities. As a person living with disabilities himself, Lloyd has had to face more challenges than your typical aspiring entrepreneur. The guides at LiveWIRE 2.0 helped him to stay motivated through difficult times. "My personal guide helped very much with ways of dealing with setbacks and disappointments." The programme taught Lloyd valuable marketing and networking skills which have resulted in him taking Barkzz World to other provinces – a major milestone for the entrepreneur. Lloyd was also awarded the 'Economic Developer and Changer of the Year' at the Gauteng Premier Awards in 2017.

Shell's vision is to continue to refine its model until it is one of the best youth enterprise development programmes in South Africa. Its approach is to continuously make improvements through regular evaluations of the programme and to combine these with evidence-based research on the most effective and efficient ways of supporting SMMEs to create jobs. A number of adjustments were made to the programme after the first cohort graduated in 2015. Adjustments to the application process and selection criteria for the latter stages of the programme have already contributed to attracting higher quality entrepreneurs in the sectors that are relevant to Shell's supply chain. The duration of phase three of the programme was extended from three to six months, offering participants a more thorough learning experience. Interventions by both government and the private sector have historically taken a trial-and-error approach, in part because of a lack of empirically-based research in South Africa's SMME development sector. However, as the sector grows, more research is being done to figure out how programmes can best achieve sustainable outcomes, most importantly in job creation.

The findings of a recent evaluation of the Shell LiveWIRE 2.0 programme resonate with those of similar evaluations and research on job creation in the SMME sector.

Recent research has cast doubt on the job-creating potential of SMMEs in South Africa. Researchers at the University of Cape Town's DataFirst research unit support the finding that smaller companies are shedding more jobs than they are creating.

Prof Christian Friedrich, a leading researcher in entrepreneurship based at the University of the Western Cape, similarly finds that only 1% of micro-enterprises that have started with fewer than five employees have grown to employ 10 people or more. International research points in a similar direction. In a comparative study taking policy lessons from Brazil and India, Trade and Industrial Policy SA found that for the purposes of job creation, business support initiatives should be aimed at high growth and more sophisticated entrepreneurs. According to this study, evidence around the world shows that supporting high-growth businesses run by skilled and better resourced entrepreneurs creates many more jobs than supporting micro-enterprises.

Targeting already established businesses may also assist Shell with the supply chain objectives of the programme. Researchers have found that SMME incubators that facilitate access to corporate procurement opportunities are correlated more strongly with job creation (Impact Economix, 2018). Shell is a large global corporation with a sophisticated supply chain operating in a highly technical industry. As such, the time required to support a business from idea phase to one that resembles a typical Shell supplier may be longer than what the programme caters for. Some options, going forward, include extending the duration of support provided and/or selecting already established businesses to take part in the programme.

Research by Impact Economix, covering three SMME incubators sponsored by the Jobs Fund that have collectively created over 4 000 jobs, has found programmes that offer sector-specific support to be more effective. The potential benefits of focusing on specific sectors, or even product lines, are enhanced knowledge and understanding of operating markets, pooling of resources, skills transfer and information exchange. By aligning the entrepreneurs more closely with specific sectors in Shell's supply chain, Shell could leverage its expertise to provide further advantage to entrepreneurs on the programme.



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SANTAM

Partnering with municipalities for risk resilience

Municipalities are at the forefront of disaster management, but some are under-resourced and ill-equipped to adequately respond to the scale and frequency of fires and natural disasters which are adding pressure to an already constrained resource environment. In 2012, Santam identified an opportunity to collaborate with government on their mutual interest of mitigating and managing disasters. Since then, Santam has successfully partnered with four district municipalities to build resilience in disaster risk management as part of its Partnerships for Risk and Resilience programme.

Santam's partnerships with municipalities aim to pool public and private sector expertise and resources.

See page 121 for more on the programme.

Ten insights for programmatic success

1. The programme is aligned to Santam's core business of risk management. Each partner is able to contribute their skills and expertise to create additional value for the business and society.

2. The programme is mutually beneficial. Santam identifies municipalities where exposure to fire and flood risk is significant and where resources and capacity constraint might inhibit appropriate disaster response. In doing so, Santam is able to work with municipalities to reduce their exposure and build capacity to better manage risks, should they arise, thus limiting damages.

3. Santam's partner selection process is proactive and strategic. It entails three criteria. Firstly, it identifies all municipalities that are 'vulnerable but functional' according to annual government classification of municipalities, increasing the likelihood that the municipalities will be receptive to support and benefit from the programme. Secondly, Santam identifies municipalities located in high-risk areas. This enables Santam to provide support where it is most needed, as well as creating the potential to gain a better understanding of risk profiles of strategic locations. Santam then overlays these municipalities onto the municipalities in which the business has the highest risk exposure and from which it receives the most claims. The municipalities which are common to all three criteria become targets for partnership selection.

4. Santam's approach to disaster risk management is both reactive and proactive – meeting short-term needs and supporting interventions around long-term risk mitigation and management. To help municipalities respond to the immediate needs arising from disasters, Santam has partnered with Red Cross SA to provide the much-needed recovery and response support to affected communities. Through strategic workshops and other capacity building initiatives, Santam has helped bolster the response capacity of municipalities. For example, at one of the workshops the Sedibeng municipality identified that it did not have a database or communication plan for how to incorporate previously trained volunteers and other relief organisations in their disaster response. In response, following workshops with relevant stakeholders, memorandums of understanding are signed by all

parties detailing how they will be contacted and involved in future disaster responses. Retired head of Sedibeng's disaster management department, Mr Sam Tlhapolosa, said "Santam made things easier for us. We were really struggling in provisions for relief. For example, when you get a call that eight shacks have burnt down, it's likely that we've already given out all the blankets. Now, we are able to call on other stakeholders, including but not just Santam."

5. Stakeholder buy-in was secured early on. In the Sedibeng municipality, a public launch of the partnership included high-profile politicians, as well as government and community stakeholders. At the launch, Santam donated R1.4 million worth of protective wear – an area of need that the partnership identified as a 'quick win' to earn initial goodwill among the community.

6. The approach is collaborative. In the areas of disaster response, collaboration and pooling resources is essential. Santam plays a key role in the partnership, by crowding in the resources of other corporates and associations, non-profit organisations and communities.

7. The programme is consultative, starting with the design phase. Santam and municipalities participate in the design phase of the partnership on an equal footing. Referring to the memorandum of understanding between Sedibeng and Santam, Mr Tlhapolosa said "it is a living document, always open for changes when there are new challenges and improvements".

8. The programme is strongly rooted in existing policy frameworks and delivery structures. Santam has not tried to reinvent the wheel, but has built on existing structures and processes within the municipalities and communities.

9. The programme is focused without being prescriptive. Santam is responsive to the needs of individual municipalities, while still providing solutions that fall within its main focus areas.

10. Santam's comprehensive initial involvement diminishes as the municipality takes ownership. The long-term strategy is for municipalities to become resilient, rather than reliant or dependent on Santam's support. Core programme activities are to capacitate the municipalities, helping them to build internal systems and structures for better response to disasters that will outlast the partnership.

Santam's staged approach to rolling out the programme is enabling it to incorporate valuable lessons into each successive partnership that is established.



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SASOL

Social Investment as a catalyst for change



Creating social value is maximised when resources are combined and partnerships are leveraged. Sasol understands this and recognises that, to be a credible partner, we must work collaboratively with multiple stakeholders, including business, government, civil society and labour, to identify solutions that will bring about inclusive growth and development.

For nearly 70 years, Sasol has played an important role in contributing to industrial and socioeconomic development in South Africa, our home country, the broader

region and elsewhere on the globe. Through our business and operating activities, we have established a solid track record of creating not only financial value, but social value.

With a footprint that spans both developed and emerging economies, we understand that our stakeholders are diverse and that localised solutions, supported by data, are important to remain relevant and have the required impact.

Given the socioeconomic disparities that exist, particularly in our Southern African markets, the majority of our investments in social programmes are directed towards our fenceline communities, which surround our major operational facilities in South Africa (Secunda and Sasolburg) and Mozambique (Inhassoro and Govuro).

With a global annual social investment spend of over R800 million, we drive our corporate citizenship programmes as catalysts for change and inclusive growth and development.

Working collaboratively with a broad array of social partners, including members of our fenceline communities, we drive programmes in education and skills; local government partnerships; community and small business development; environmental protection; as well as Sasol for Good, our global employee volunteer programme.

Our communities expect Sasol to contribute towards improving their quality of life, by enabling them to become economically active participants in society. To realise their ambitions, we direct a substantial portion of our social investment funding towards education, skills and entrepreneurial development programmes.

By contracting with our communities, and other stakeholders, we create two-way dialogue that deepens our understanding of needs and helps us land on common goals for co-creating solutions that will have the desired impacts. Designed with multistakeholder inputs, the outcomes of our programmes seek to enable stable, thriving communities.

Sasol has found that where our strategic intent is aligned with government's agenda – be it national, provincial or local – and the needs of communities, there is a more successful outcome in resource allocation and sustainable impact. Beyond healthy multilateral dialogue, sound data and information are also essential in driving impactful programmes and interventions.

Our programme that targets youth not in employment, education or training (NEET) in the Sasolburg area, is one example that demonstrates our collaborative multistakeholder approach. Sasol, in partnership with a provincial government department and local municipality, piloted this programme, benefitting 100 young people between the ages of 18 and 35 from a surrounding township.

The nine-month skills training and development intervention, which ran from March to November 2018, provided general and life skills training, access to practical work experience and mentoring to the participants, serving as an important avenue for labour absorption and income transfer to poor households.

The youth on the programme contributed to solving community challenges by cleaning public areas, while developing other practical skills to enable them to become active participants in the local economy. The areas of development included painting, fencing, tiling and basic computer skills, for which they received a monthly allowance.

The youth NEET programme is not only aimed at providing training and short-term earning opportunities, but is positioned as a catalyst for further self-development, growth and progress.

Although the monetary value of our social investment is substantial, we do not measure impact only by the size of our spend or its reach. Rather, our focus is on how many lives we have changed for the better.

As a company proudly rooted in our South African heritage, being a catalyst for inclusive growth and development – a force for good – is a belief we hold firm.

Charlotte Mokoena

Sasol Executive Vice President: Human Resources and Corporate Affairs

SASOL

Social Investment as a catalyst for change (continued)

Creating social value

Sasol has defined social value as more than corporate social investment (CSI) programmes and philanthropy. This informs the company's approach on how it manages its six key capitals: human; social and relationship; natural; financial; manufactured; and intellectual. It is about leveraging its capital, in all its forms, to create value for society.

Increasing investment to improve impact in education

Following an intensive stakeholder engagement process, Sasol has adopted a more holistic and inclusive approach to its CSI interventions in education. The addition of early childhood development (ECD) to its already extensive education portfolio aims to unlock the full potential of the child by providing support from toddler to graduate.

Maureen Mboshane, the Vice President for Corporate Affairs at Sasol in Secunda says extending into ECD is a logical progression for the company's extensive investment across the education value chain, from primary to doctoral level. This includes close collaboration with numerous education institutions. "We believe that investing in early education is pivotal to establishing strong learning foundations," says Mboshane.

Education is a key element of social capital, essential in providing children in communities with opportunities for self-advancement. Studies indicate that countries that invest in ECD have positive social and economic outcomes. Although there is significant investment in South African education, outcomes according to international benchmark studies such as Trends in Mathematics and Science Study (TIMSS) reflect continued underperformance by learners. Intervening in early education will build strong foundations for learning and later improve the education outcomes.

A step change – Investing in the whole child, from an early stage

In 2016, Sasol conceived and piloted a comprehensive ECD programme which aimed to support South Africa's vision of achieving universal and equitable ECD by 2030. Sasol spent the last two years testing various models and partnerships to ECD. Currently, the Department of Social Development at local level works with Sasol to identify ECD centres that need support to ensure compliance.

A key feature of ECD centres in many South African communities, from townships to affluent suburbs, is that they are set up and run by private owners. Many centres in under-served communities lack the resources to meet the required legal and operational standards, and require support.

Sasol performs baseline assessments before working with the centres to identify critical gaps and customise interventions. The idea is to move the centres from operating as a place of 'babysitting' to centres of learning that are safe and stimulating. Sasol's support involves training geared towards improving the quality of the education and care services offered by the centres.

Natalie Mnisi, the Deputy Director responsible for ECD in the City of Tshwane says they have noticed a marked difference in how centres supported by Sasol are run. "From our own





monitoring we have observed that implementation is often a challenge for most centres but I can confidently say that the centre managers have indeed translated knowledge from class to their work spaces," says Mnisi, pointing to a noticeable difference in administration systems, including finances and policies.

ECD programme design

The ECD programme is designed to be holistic, including practitioner training, parental involvement, child development, resources, equipment and infrastructural development, nutrition and basic safety. The programme is implemented over three years:

- The first year focuses on nutrition, ECD centre compliance, training of parents, ECD practitioners and centre managers.
- The second year is spent reinforcing lessons from the first year, child development, development of learning resources and upgrade of facilities.
- The third year focuses on safety training, strengthening the parental involvement and sustainability.

As the ECD pilot concludes and is formally adopted as part of Sasol Foundation's education programming, the elements of the programme will be implemented, viewed collectively and the outcomes measured.

Reaching out, touching lives

Sasol has already helped to equip 121 ECD centres across five provinces. Centres in poor communities are typically constrained by an absence of equipment and infrastructure, while holistic child development requires more hands-on support.

A toy library at Sasol's flagship education centre in Secunda, called Osizweni, accommodates up to 150 young learners a day who visit from under-resourced crèches in the area. Sasol has calculated that it is benefitting 15 900 children through this offering alone.

Sasol has also supported the installation of nine mobile classrooms this year, which are intended to help alleviate overcrowded primary schools and better accommodate grade R pupils. These mobile classrooms leverage existing school infrastructure and are proving to be an efficient solution in advancing ECD.

While subsidies exist to help ECD centres manage the costs of feeding schemes, these centres must first obtain compliance and register as NPOs in order to qualify. To support centres in managing their meal plans, and even upgrading their food preparation facilities, the programme ensures children have at least one nutritious meal at the centres in the project.

Sasol is also developing a parenting module to build the capacity of centres in helping parents to understand child development and encourage them to be involved in early education activities.



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TELKOM

A revitalised strategy for strengthening education and employability

The Telkom Foundation aims to develop youth resilience through innovation and digital transformation in education. The Foundation was established in 1998, with a budget of R100 million over five years and a focus on improving education by bridging the digital divide in South African schools. In 2017 the Foundation not only doubled its investment to R200 million over five years but also drew insight from its two decades of experience to revitalise its strategy for addressing education and employability.

Telkom Foundation's overarching strategy aims to develop high school learners' digital skills, making them employable in the information communications and technology (ICT) sector. The strategy encompasses integrated programmes that will be implemented in three phases, over several years. The strategy recognises the crucial role that the private sector – particularly ICT companies – has to play in improving the quality of education that will contribute to strengthening South Africa's tech industry and its ability to compete in the Fourth Industrial Revolution.

The High School Support Programme

From 1998 to 2017, Telkom Foundation's flagship Connected Schools Programme (CSP) aimed to bridge the digital divide in South Africa's education system by providing ICT equipment, resources, connectivity and training to schools and teachers in rural areas. Over two decades, more than R200 million was invested into the programme, benefitting more than 2 000 schools, upskilling over 20 000 teachers and enhancing the education of more than 600 000 learners.

Despite this significant investment, the Foundation began to realise that infrastructural support would not be enough to allow school communities to feel comfortable with using technology, and that more holistic support would be needed to fully leverage technology as a tool to meaningfully impact education and employment outcomes. In response, the Foundation remodelled the CSP and piloted it in five schools in Tshwane West. As the pilots were underway, the Foundation developed a comprehensive new strategy which it decided to build onto the improved CSP.

The High School Support Programme (HSSP), which forms the first phase of the Foundation's new overarching strategy, provides a spectrum of integrated educational and non-academic support, to ensure ICT-competency among learners and teachers. The programme provides comprehensive support to learners from the time that they start grade eight, all the way through to matric. The Foundation will continue to provide ICT solutions, such as computers, educational resources and internet connectivity, but will also focus on learners' socioeconomic and psychosocial development, addressing issues such as transport, nutrition and health and wellness. The programme is also geared towards developing critical thinking, introducing learners to the wider opportunities created by technology and teaching them to use technology to solve social challenges.

The HSSP will run until 2022 and is constituted of the following five pillars:

- i. **ICT infrastructural support**, including the provision of teacher and learner-dedicated computers, smart boards, computer labs, internet connectivity, educational content and full-time technical support to facilitate the integration of ICT into teaching and learning.
- ii. **Supplementary teaching in maths, science and English** helps learners improve their performance in these gateway subjects to ICT careers. The programme began by focusing on learner content gaps that are crucial building blocks for mastering these subjects, and it continues to find innovative ways of supporting learners.
- iii. **Non-academic support** addresses socioeconomic barriers to learning and responds to learners' psychosocial needs. This includes providing learners at participating schools with social work services and mentorship, facilitating peer support, cultivating learners' resilience and focusing on the development of learners' digital skills, cognitive, linguistic and problem-solving abilities, collaborative learning and critical thinking needs.
- iv. **Teacher support** includes in-depth ICT integration training to enable teachers to maximise the use of ICT resources at their disposal. In addition, the Foundation has also trained and employed local youth as full-time facilitators, to ensure that teachers receive the necessary technical support.
- v. **Leadership development** is entrenched in the belief that the quality of school leadership is a determinant of academic performance. To this end, school principals foster collaboration with other schools through communities of practice – a methodology designed to facilitate peer learning and partnerships for improving their schools.



Transforming schools from tech ready to tech savvy

The Telkom Foundation opted to work in Gauteng because of the well-documented tech readiness and proactive stance that the province's education department was taking to ensure the integration of ICT solutions in the classroom. For example, in 2015, the department announced plans to roll out paperless classrooms to 375 schools in townships and rural areas across Gauteng.

To feed into this overarching government strategy, in 2017 Telkom Foundation piloted its refreshed HSSP at five high schools in the Tshwane West education district. All of these schools are

close to Telkom's campus in Centurion and face similar challenges common in disadvantaged schools, including shortage of teachers, poorly equipped classrooms and a lack of ICT readiness. The schools were selected in collaboration with the Department of Education's district office and through engagement with school governing bodies and parents.

In addition to the five schools in Tshwane West, the programme has also been rolled out to two schools in Port Elizabeth. The HSSP is targeting approximately 2 700 learners and 120 teachers in Gauteng and the Eastern Cape over five years.

Key lessons on supporting teachers, learners, parents and broader school communities

- The HSSP continues to highlight the important role that teachers play in their schools' uptake of technology. The Foundation has noted that, while improving teachers' skills in maths, science and English is critical, enhancing their knowledge and levels of comfort with technology is equally important. As a result, the Foundation will prioritise teacher training across a range of areas, including ICT integration and change management.
- Some learners who were already in grade eight were found to have content gaps that stemmed from the foundation phase of their education. Recognising the importance of addressing these foundational needs, there was an initial focus on the provision of supplementary teaching and peer-to-peer learning to improve learner competency and performance. An important lesson has been the need to strike a healthy balance between focusing on historical content gaps while also helping more advanced learners to keep abreast of current subject matter; thereby ensuring that all learners are adequately engaged and remain stimulated and interested. Psychosocial support is also crucial for motivating learners and ensuring their commitment to the programme.
- Parents and the broader school community play a pivotal role in the safety, uptake and sustainability of ICT in schools. When parents understand and communicate the importance of ICT equipment in their children's educational development, and they communicate this with their broader communities, it contributes to community buy-in and improves the safety of computer labs at the schools.
- The latest iteration of the HSSP was developed with replicability, scalability and innovation in mind. However, for this to be possible, a feedback mechanism is required to allow stakeholders to continuously evaluate their performance, and adapt their activities and approaches. As a result of this learning, the Foundation has begun developing a robust monitoring and evaluation system to assess academic and non-academic outcomes, including issues such as absenteeism, attrition rates and psychosocial outcomes.

Post-school support

Phase two of the Foundation's overarching strategy will commence in 2022, following the first cohort of learners to post-school institutions. The third phase of the strategy will focus on integrating the cohort into the mainstream economy, either through employment or by supporting them to establish their own small businesses.

Sarah Mthintso

Head of the Telkom Foundation
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VOLKSWAGEN SA

Literacy: a social justice imperative

Despite considerable government and private investment into the formal teaching and learning of literacy at schools, as well as the informal promotion of literacy in communities, the 2016 *Progress in International Reading Literacy Study* (PIRLS) found that eight out of 10 or 78% of South African children in grade four could not read for meaning in any language. The same study ranked South Africa last out of 50 countries for literacy. Volkswagen SA has been on a journey since 2015 to ensure that children in Uitenhage are functionally literate by the end of grade three. The company's approach to this focus area has expanded from the recognition that literacy is the cornerstone of quality education and the gateway to numerical competency, to advocating for the support of literacy as a social justice imperative.

Volkswagen SA partnered with the Literacy Association of South Africa (LITASA) – an organisation dedicated to promoting teaching and research in reading and writing at all levels in South African society – to present the LITASA Conference in October 2018. Themed 'literacy as a social justice imperative', the conference provided a creative space for education experts to interrogate the findings and implications of the PIRLS, learn about new projects and innovative approaches to literacy, reflect on lessons learnt in the field, and strengthen the sector network.

Equitable access to quality education

In order to have equitable access to wealth, opportunities and privileges in society, children must first have equitable access to quality education that empowers them to think critically, communicate effectively, solve problems, negotiate, innovate and plan; ultimately preparing them to participate in a rapidly evolving society and economy.

Volkswagen SA is committed to helping to ensure that these skills are acquired by children in the early stages of their lives. The company invests in early language development and functional literacy at foundation phase, at five primary schools in Uitenhage. In collaboration with implementing partners, Volkswagen SA's comprehensive literacy programme encompasses a spectrum of interventions that address the broader environment in which children grow up and learn to read. To this end, the programme equips learners with the resources necessary to be able to read with meaning and equips teachers, parents and caregivers with the skills needed to support their children in the classroom and at home.



"Because success in literacy learning is key to accessing educational opportunities, access to literacy is a social justice imperative at all levels and in all spaces."
– LITASA conference 2018



“Literacy is a bridge from misery to hope. It is a tool for daily life in modern society. It is a bulwark against poverty and a building block of development. Literacy is a platform for democratisation, and a vehicle for the promotion of cultural and national identity. For everyone, everywhere, literacy is, along with education in general, a basic human right. Literacy is the road to human progress and the means through which every man, woman and child can realise his or her full potential.”

– Kofi Annan

Volkswagen SA's interventions for a balanced literacy programme

Learner interventions

Volkswagen SA partners with Shine Literacy to provide individual support to children in grades two and three who are at risk of falling behind in their schooling. Children are paired with trained volunteers who support their learning weekly, for at least a year. Shine ensures that classrooms are equipped with multicultural and age-appropriate storybooks to promote a school culture of reading. A 'paired and shared' approach also ensures that younger children receive help and mentorship from older learners at their schools with whom they are partnered.

These interventions are implemented at the five schools that are supported by Volkswagen SA. At the start of the programme the aim was to establish literacy centres at each of the schools. The second literacy centre was opened in 2018, at Mngunube Primary. In collaboration with the school municipality, an outdoor gym and park were also donated to the school to enhance the overall learning experience.

Teacher intervention

Edufundi focuses on improving the quality of teaching at primary school level. The Edufundi team visits primary schools to provide sustained mentorship and support for teachers in their own classrooms. Through the Teach-Like-a-Champion programme, teachers are supported and mentored on a weekly basis, enabling them to manage their classrooms better, plan lessons, engage and motivate their learners.

This programme has been implemented in all five schools and has impacted 59 teachers and 2 210 learners to date.

Parent and caregiver interventions

Shine Literacy Family Workshops equip parents and caregivers with the knowledge and skills to help them support learning in the home. Parents are taught to value their existing knowledge and are encouraged to embrace their vital role in their children's education. The workshops provide tips, practical ideas and new resources for making learning in the home fun and enjoyable.

To date, 250 workshops have been hosted, helping parents to deepen their connection with their children and encouraging language development through loving and responsive relationships with caregivers. In partnership with WordWorks, a further 374 Fundisanani Literacy Workshops have been hosted at six community clinics, reaching approximately 700 pregnant women.

Nal'iBali is a national reading-for-enjoyment campaign to spark children's potential through storytelling and reading.

The organisation distributes bilingual supplements that provide children with access to free and relevant reading material that will inspire a lifelong love of reading. The organisation also mobilises and supports a network of literacy activists to establish and run reading clubs at schools and in the broader communities and host home libraries.

Key lessons on fostering literacy

Based on its experiential insight working in the field, Volkswagen SA has identified key issues that contribute to low levels of literacy at foundation phase and encourages companies and other donors wanting to intervene in the literacy space to take the following into account when designing their interventions:

- Most public schools do not have libraries or the necessary literary resources to inspire a culture of reading for pleasure among their learners. Often the reading material that is available is not age-appropriate or written in the children's home language.
- Current classroom conditions and pedagogical strategies do not appear to be effective in achieving required levels of literacy. Teachers must be trained to identify gaps in their learners' literacy development and use relevant reading material effectively.
- Few homes are adequately resourced and capacitated to provide early childhood and ongoing literacy learning opportunities. Parents' roles in their children's literacy learning and their interactions with their children's schools must be underscored.

Volkswagen SA plans to continue the expansion of its literacy programmes by increasing the number of literacy centres at the schools that it works with; continuing to train teachers, with specific emphasis on teaching them how to teach and assess literacy and comprehension strategies, among other aspects; and continuing to invest in the social capital of women who raise children – as mothers and caregivers, unlocking the human capital that is key to all learning.



VOLKSWAGEN
for good

VW Community Trust

Eastern Cape: Vernon Naidoo | 041 994 4399
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WOOLWORTHS

The Good Business Journey to a food secure South Africa

The Woolworths' Good Business Journey, which the retail giant has been travelling for more than a decade, is a comprehensive commitment to responsible business that helps to ensure the health and wellbeing of people, the transformation and empowerment of communities, and the sustainability of the environment. So how does this strong strategic platform guide a retail company, that has quality food at the core of its business, to respond to one of the most pervasive issues in its home country: food insecurity?

A reinforced commitment to food security

Fourteen million people in South Africa are at risk of going hungry, according to the Statistics South Africa 2014 *General Household Survey*. Meanwhile, 10 million tonnes of food – a third of the amount produced – go to waste in South Africa every year, according to the 2017 WWF *Food Loss and Waste* report, funded in part by Woolworths.

After many years of responding to the food security challenge, in early 2018 the Woolworths Trust underwent a strategic review to assess the focus, effectiveness and potential long-term impact of its social interventions. Extensive consultation with key internal and external stakeholders only served to reinforce the company's role in the food security space, as well as the compatibility of this focus with the overall business strategy. This review process also facilitated critical reflection on how the company could best contribute to systemic social change, and underscored the

necessity for cross-sector collaboration, if food security is to be realised nationally.

Partnering with FoodForward SA to increase capacity

In 2017 alone, Woolworths donated R570 million worth of surplus food that had passed its 'sell by' date but had not yet reached its 'use by' date. In addition to food donations managed at store level, in mid-2018, Woolworths announced that it would also be joining forces with FoodForward SA – a non-profit organisation that addresses hunger by recovering edible surplus food at various stages of the food value chain, that would otherwise end up in landfills, and redistributing it to communities in need across the country. Before entering into the partnership, Woolworths drew on its food safety, quality control and other business expertise to assess FoodForward SA's operations, thereby ensuring a shared commitment to food safety, nutritional value and eradication of waste as critical pillars in the partnership.

"FoodForward SA plays a vital role in addressing food security in South Africa. Woolworths welcomed the opportunity to partner with the organisation, to enhance their capacity to get food to the communities who need it. Funding is only one aspect of the partnership. As a food business with a countrywide footprint and extensive experience in getting quality food to where it is supposed to go at the right time, we aim to open up opportunities for FoodForward SA to increase its efficiency and access to good food," says Zinzi Mgolodela who is the director of corporate affairs at Woolworths.

In addition to R3 million funding over a three-year period, Woolworths will also encourage its food suppliers to redirect their surplus to the organisation, and will continue to contribute its business expertise to ensure that the organisation maintains the highest standards of food safety and quality control. Providing FoodForward SA with specialised business services and skills is also creating exciting opportunities for Woolworths employees to apply their knowledge to social causes, thereby shifting the traditional approach to employee volunteerism.

Food security is defined by the United Nations Committee on World Food Security as the condition in which all people, at all times, have physical, social and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.



Collaborating with the ‘competition’

FoodForward SA also partners with several other large companies, many of which would, in a pure business sense, be viewed as competition. At a strategic level, Woolworths’ partnership with FoodForward SA demonstrates the evolution of its approach to social investment, from leading initiatives, to collaborating in order to ensure more meaningful and lasting impact. “As a partner of FoodForward SA, Woolworths may not be the leader, but we are excited to be part of a leading approach in the sector,” says Mgolodela. “Food retailers have a collective responsibility to ensure that people in South Africa don’t go hungry. Responding to the *thuma mina* national call, it is more important for us to work together to address the big issues, rather than to work in silos in favour of brand recognition. As the African proverb goes: when spiders unite, they can tie down a lion.”

This type of collaboration is not entirely new to Woolworths. Another part of the retail value chain that experiences a significant amount of waste is the clothing sector. Woolworths, along with various other clothing retailers, partners with The Clothing Bank – a social enterprise that collects excess retail stock, which it sells to unemployed mothers at discounted rates, so that they may in turn sell the clothes as a source of income. These entrepreneurs also participate in a two-year training programme and the objective is for each woman to earn at least R4 000 per month. Between 2016 and 2018, Woolworths had donated R139 million worth of clothing to the project.

Supporting and enhancing government’s work

In South Africa, 27% of children below five years are stunted. In a context of food insecurity and social instability, the nutritional problems of these young children typically continue, or may even be exacerbated, into school age. Malnutrition during early childhood can lead to stunting which impairs cognitive skills, concentration and the ability to learn. The National Development Plan, which emphasises nutrition, especially for children, as a key element of a decent standard of living in South Africa, envisions the realisation of food and nutrition security through public-private partnerships. Similarly, Woolworths recognises government as a crucial partner for the sustainability and scalability of developmental projects.

The retailer has partnered with UNICEF South Africa, to support the Department of Basic Education, to improve the health, education and nutritional outcomes of learners in quintile one to three primary schools. This will be achieved by addressing the

capacity gaps of volunteer food handlers and educating learners and broader school communities about effective water, sanitation and hygiene (WASH) practices. The company has committed R4 million over three years to the roll out of a pilot programme to improve nutrition for about 50 000 children at 50 under-resourced Gauteng-based schools that participate in the National School Nutrition Programme, which currently feeds over nine million learners in aforementioned schools.

Through this pilot programme, community members who volunteer as food handlers will be trained to safely and hygienically prepare balanced meals for school children, in healthy environments. Learners will also be taught about good hygiene practices, including the importance of handwashing with soap before eating. “Good nutrition and hygiene are investments in the future of children and the country. Addressing malnutrition is crucial to enabling children’s rights to survive, grow, develop and learn to their full potential. While this partnership will develop the training module for volunteer food handlers and trial it in 50 schools, the materials will serve as a resource with potential to be rolled out to the 50 000 volunteer food handlers across the country. It is this type of catalytic work with private sector partners that sets the stage for at-scale programme delivery by government across the country,” says UNICEF South Africa’s chief of education, Wycliffe Otieno.



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WOOLWORTHS

The Good Business Journey to a food secure South Africa (continued)

Sustainable farming

With a growing portfolio of innovative and collaborative food security interventions, Woolworths also continues to invest in well-established initiatives that go beyond the immediate response to hunger. Conventional farming strips minerals and nutrients from the soil so that, over time, increasing amounts of fertilisers are needed; while healthy soil is better able to retain water and requires fewer chemical interventions, helping to maintain biodiversity both in and above the soil. Inspired by the fact that good soil produces good food and wanting to ensure sustainable farming for generations to come, Woolworths' Farming for the Future invests in shifting the mindsets of its agricultural suppliers in holistic and systematic farming that uses less fertilisers and chemicals, while preserving quality. All of this is achieved without charging the customer more.

Beyond its supply chain, for 14 years Woolworths has partnered with social enterprise Food & Trees for Africa on the EduPlant programme, to increase the availability and accessibility of nutritious food in communities through the establishment of permaculture food gardens in schools. The programme places great emphasis on permaculture – the development of sustainable and self-sufficient agricultural ecosystems. Through the provision of workshops, schools are encouraged to grow their own food which can be used to supplement their school feeding schemes or generate income.

To date, the Woolworths Trust has invested over R32 million into the programme, which has impacted hundreds of schools and thousands of learners across the country.

Strengthening food security interventions

Drawing from its own experiential lessons, Woolworths advises other companies wanting to contribute to the food security sector to be open to collaboration and to draw on the knowledge of implementing partners and the guidance of strategies such as the National Development Plan and the 2030 Agenda for Sustainable Development.

With its holistic response to hunger and food insecurity rooted in its Good Business Journey ethos, Woolworths' comprehensive basket of solutions and unwavering commitment to the cause reassures that, even though the road to the realisation of food security in South Africa may be long, like every journey, it begins with a single step, and many steps are being taken every day.



WOOLWORTHS

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Casual Day™

Celebrating 25 years!

South Africa's favourite national fundraising campaign turns 25 in 2019! Celebrated annually on the first Friday in September, South Africans are encouraged to make a donation for their official Casual Day sticker and to dress up or down in the year's theme. This donation shows support for the full inclusion and equity of persons with disabilities. We are also about raising awareness and here, we are happy to share a snapshot of the money raised and the impact your donations have made:

Did you know?
Casual Day prints & distributes over 3.2 million stickers every year

R303 500 000

TOTAL Funds Raised 1995 - 2017

500+ NGOS AND SPECIAL NEEDS SCHOOLS DIRECTLY BENEFIT

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THE REMAINING FUNDS ARE DISTRIBUTED AMONGST OUR



NATIONAL BENEFICIARIES



WORKING TOWARDS ACHIEVING OUR GOALS:

- Disability Awareness & Sensitisation
- Advocacy & Human Rights incl. access to education, transportation & assistive devices
- Equity & Inclusion
- Economic Participation & Infrastructure Development
- Universal Design & Access
- Youth & Womens Programmes
- Entrepreneurship & Training



South African National Council for the Blind	TOTAL PAID OVER LAST 5 YEARS: R2 559 013
South African Federation for Mental Health	TOTAL PAID OVER LAST 5 YEARS: R5 635 158
Deaf Federation of South Africa	TOTAL PAID OVER LAST 5 YEARS: R2 221 551
Autism South Africa	TOTAL PAID OVER LAST 5 YEARS: R1 300 725
Down Syndrome South Africa	TOTAL PAID OVER LAST 5 YEARS: R885 063
National Association for Persons with Cerebral Palsy	TOTAL PAID OVER LAST 5 YEARS: R1 676 330
South African National Deaf Association	TOTAL PAID OVER LAST 5 YEARS: R799 327
National Institute for the Deaf	TOTAL PAID OVER LAST 5 YEARS: R830 743
Alzheimer's South Africa	TOTAL PAID OVER LAST 5 YEARS: R826 050
QuadPara Association of South Africa	TOTAL PAID OVER LAST 5 YEARS: R1 001 967
South African Disability Alliance	TOTAL PAID OVER LAST 5 YEARS: R445 314
National Council of & for Persons with Disabilities	TOTAL PAID OVER LAST 5 YEARS: R19 751 458

i Casual Day also supports the Disability Units of 11 Universities, SAPS and the SANDF.



Calling all NGOs, companies, government departments & schools! Change lives, have fun and benefit your organisation all at the same time by participating in Casual Day! For more info give us a call on 011 609 7006 or visit WWW.CASUALDAY.CO.ZA.



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Casual Day & The Nappy Run are projects of the National Council of and for Persons Disabilities (NCPD). NPO 000-923. For more information please refer to our listing in this directory or visit www.ncpd.org.za.

NCPD
National Council of & for
Persons with Disabilities



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4

CHAPTER FOUR

Triialogue is the Southern Africa local authority for a global network of responsible business and social development-focused organisations, called the Global Exchange. This chapter collates trends and insights from this network to provide global perspectives on the role of business in society.

GLOBAL PERSPECTIVES on collaboration for development

Collaboration is defined as the act of working together with other people or organisations to create or achieve something. True collaboration is more complex than a simple partnership where one party provides funds to another for the purpose of implementing a project. Rather, it implies joint participation and the contribution of skills and resources to a collective process. Companies can potentially achieve better social outcomes by collaborating with other companies and developmental stakeholders, including government and civil society.



For collaboration at a deep level to succeed, it requires dedicated organisational capacity, clear and aligned objectives, ongoing engagement with relevant stakeholders and, importantly, adequate time and resources for effective implementation.

There are various levels of collaboration, ranging from the sharing of knowledge, to establishing partnerships and, at a deeper level, the merging of work processes and resources to achieve a common objective.

Complex societal issues can only be meaningfully addressed through the involvement of all relevant stakeholders. However, working with multiple stakeholders can be challenging. For collaboration at a deep level to succeed, it requires dedicated organisational capacity, clear and aligned objectives, ongoing engagement with relevant stakeholders and, importantly, adequate time and resources for effective implementation.

Many corporate social investment (CSI) programmes do not have the resource or desire to embark on complex collaborative processes and defer to providing more localised solutions that address immediate and apparent needs. The value of this approach is not to be discounted, with many lives changed through such

interventions. However, if longer-term systemic change is sought, investment in deeper collaborative processes should be considered.

Triologue is the Southern Africa local authority for a global network of organisations, called the Global Exchange (GX), a coalition that focuses on advancing the role of business in society. The initiative was launched and is overseen by the US-based CECP: The CEO Force for Good and has representation in 16 countries across the globe. We recently canvassed GX partners to obtain high-level country perspectives on collaboration. For the purpose of this short survey, we considered three different types of collaboration, namely: sharing of knowledge, pooled funding and joint initiation of projects.

Nine GX partners from Brazil, France, Germany, India, Italy, South Africa, South Korea, Spain and the US participated in this survey, the findings of which are summarised overleaf.

Collaboration through sharing of knowledge

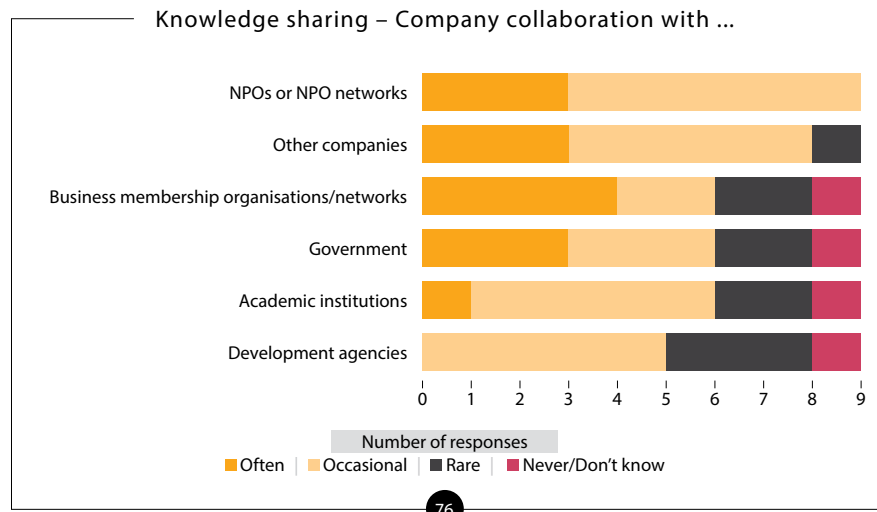
This form of collaboration encompasses sharing of intervention methodologies and outcomes as a means of improving practice. This could be in the form of convening knowledge-sharing sessions with other companies or stakeholders, sharing research, setting up 'communities of practice' with focus on particular development sectors, or commissioning research for the purpose of informing government policy.

GX partners were asked whether:

- They were aware of collaboration through sharing of knowledge between companies and the types of organisations (as shown in the chart alongside).
- If aware of such collaboration, whether they perceived it to occur often, occasionally or rarely.

The feedback showed that collaboration in the form of knowledge sharing is quite prevalent. Knowledge sharing between companies and all other stakeholders was believed to occur in eight of the nine regions, and in all regions in the case of companies sharing with non-profit organisations (NPOs). In the majority of instances, collaboration of this nature was seen to be occasional. For at least a third of the countries surveyed, knowledge-sharing with government, academic institutions, business organisations and development agencies was considered to be rare.

Responses varied when asked about who was generally responsible for initiating the knowledge-sharing processes, with all parties seen to be playing a role at some point in time. Intermediaries were however most frequently recognised as initiators of knowledge-sharing processes.



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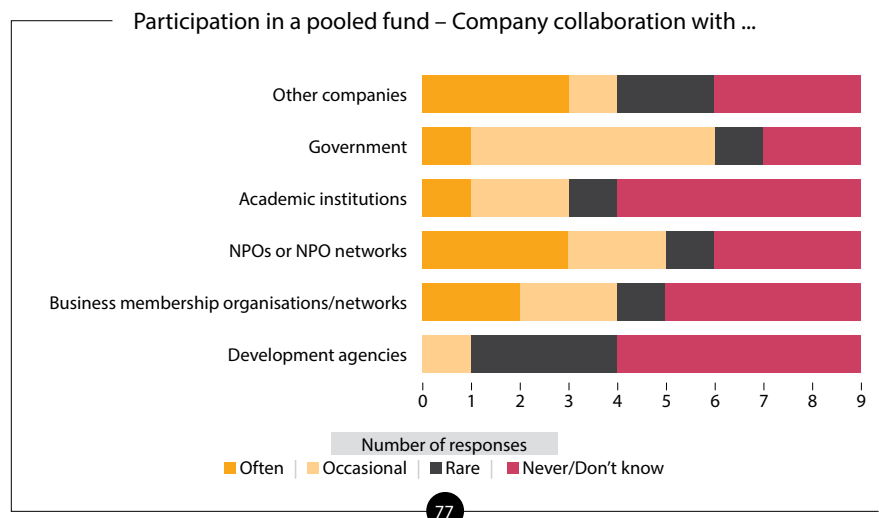
Examples of collaborative knowledge-sharing practices:

- In South Africa, Trialogue acts as an intermediary that drives knowledge sharing across development parties through the Trialogue Knowledge Hub (www.trialogueknowledgehub.co.za), CSI forums (quarterly meetings of CSI practitioners to share information and learnings) and the Trialogue Business in Society Handbook and conference.
- In Brazil, Todos pela Educação (All for Education) is a non-profit organisation (<https://www.todospelaeducacao.org.br>) that pursues quality education. Activities include promotion of the theme of basic education in the media and institutional engagement to encourage debate on the topic.
- In Germany, under the umbrella of the organisation Stifterverband (<https://www.stifterverband.org>), a group of approximately 14 corporate social responsibility (CSR) managers from various companies meet to share knowledge and design joint projects.
- In India, Ambuja Cement Foundation and Samhita Social Ventures organise meetings for CSR leaders and managers to discuss the actions required to respond to issues that will advance the sector.
- In Spain, Fundación SERES convenes an annual event called Compartiendo ('Sharing') at which various collaborative projects that create social impact and business benefit are examined.
- In the US, companies participating in CECP's Systemic Investments in Equity, Talent and Tech Accelerate Community met quarterly during the past year to explore the challenges and opportunities presented in efforts to reduce inequities in science, technology, English and maths learning and, ultimately, diversify the tech workforce.

Collaboration through participation in a pooled fund

This form of collaboration encompasses an initiative set up by one or more entities, which then approaches other organisations to contribute funds to a collective pool. The objectives of the fund vary from supporting research and lead practice, to delivering social services, to initiatives that convene multistakeholder groups with the aim of achieving systemic change.

The existence of collaboration models involving pooled funds were notably less frequent than the first two forms of collaboration. Pooled funds in collaboration with other companies or NPOs were perceived to exist in two-thirds of the countries and were considered to be frequent in one-third of them. Pooled funds in collaboration with government was seen to occur in most regions but was largely occasional or rare. For other stakeholder groups, collaboration through pooled funds was considered to occur less often.



Examples of pooled funding initiatives:

- In Brazil, the Juntos programme was created to establish a network of leaders and companies to drive efficiency in social investment. It is an innovative programme aimed at leveraging private sector investment and expertise to improve public management at a local level.
- In France, the formation of clubs de mécènes, where several companies meet and combine funds to support local projects or specific programmes, enables meaningful participation by small companies that do not have the time or skills to manage their own projects.
- In India, a government-instituted pooled fund (Swachh Bharat Kosh) was set up to improve sanitation in the country. A total of 226 companies contribute towards the fund.
- In South Africa, the minister of health and private sector companies established the Public Health Enhancement Fund (PHEF), supported by a Social Compact Forum (comprising CEOs of participating companies) to address challenges facing the health sector.
- In South Korea, a pooled fund was established to cover research, networking and the development of standardised reporting practices in the CSR sector.
- In Spain, a group of companies donate funds to the Private Sector Advisory Group for the Sustainable Development Fund of the United Nations.

“Creating and managing collective impact requires a separate organisation and staff with a very specific set of skills to serve as the backbone for the entire initiative. Coordination takes time, and none of the participating organisations has any to spare. The expectation that collaboration can occur without a supporting infrastructure is one of the most frequent reasons why it fails.”

John Kania and Mark Kramer
Collective Impact (2011)
Stanford Social Innovation Review

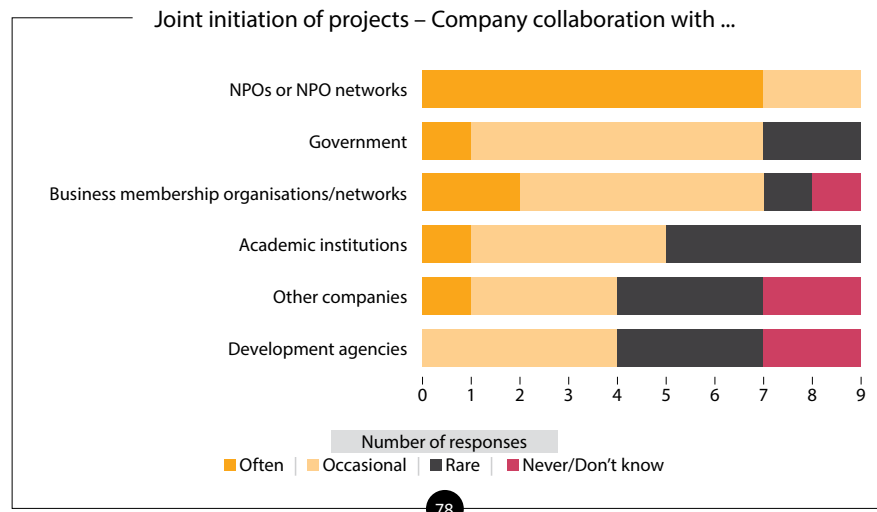
Collaboration through joint initiation of projects

This form of collaboration encompasses different organisations coming together to set up and implement a project. It excludes established projects that have secured funding from one or more companies. Meaningful collaboration typically involves stakeholders contributing different resources, in line with their expertise, supported by a central coordinating body or 'backbone' organisation.

The responses from GX partners show that establishing joint projects is fairly common, with collaboration between companies and NPOs considered to happen most frequently. Collaboration on joint projects with other stakeholders takes place less frequently or not at all. For instance, for more than half the regions, joint projects with development agencies was considered to be rare or non-existent.

It is noted that most country examples described partnerships between companies and NPOs, often where the company provides support for an NPO-originated programme. There could be instances where projects were initiated jointly, which may be the case for a South African mine funding a school facility on a 50:50 basis with government, or an Indian company supporting an NPO to distribute solar lamps to a village. However, with just two parties involved, such initiatives may be better described as a partnership, rather than a collaborative process.

Country examples of multistakeholder collaborative initiatives were identified and are briefly described alongside.



Examples of multistakeholder collaborative initiatives:

- In Brazil, two companies with supply chain interests that affect more than 50 communities located on the margins of the Juruá River in the Amazon are developing a social progress index with the aim of addressing local challenges in the region.
- In India, Samhita Social Ventures and the India Sanitation Coalition, in partnership with CEPT University and with support from The Bill and Melinda Gates Foundation and the Maharashtra Government, have set up a four-year multistakeholder corporate water, sanitation and hygiene (WASH) platform in the western state of Maharashtra. This platform advocates for an open defecation-free society through access to water, along with safe and sustainable sanitation and hygiene practices. Going beyond the focus of building toilets, this platform identifies and facilitates strategic areas for corporate engagement by leveraging catalytic finance models and stakeholder expertise to innovate high-impact sustainable solutions throughout the WASH value chain.
- In South Africa, the National Education Collaboration Trust (NECT) was established to strengthen partnerships within civil society and between civil society and government to achieve the country's national goals for basic education (www.nect.org.za).

Read more about the NECT on page 90.

- In the United States, the 100k initiative is made up of a coalition of leading companies creating employment opportunities for youth. They are committed to reinventing hiring, retention and advancement practices in order to access new sources of talent from communities that have not traditionally been included in the US' prosperity. Over 50 companies collaborate.

Collaborative processes vary considerably in form and complexity. For companies with limited resource and capacity to get involved in these processes, simple funding arrangements are justifiably preferred. However, for those who have the desire and capacity to seek impactful and scalable solutions, collaboration offers a viable alternative.



Key insights

Development is characterised by practices that range from highly innovative and effective to dismal failure. Acquiring knowledge of lead practice and risks associated with a developmental area would surely reduce failures to improve the effectiveness of development funding. The feedback from GX partners shows that collaboration at a knowledge-sharing level happens often and tends to be driven by intermediaries. However, given the wealth of knowledge available from academic institutions, government and development agencies, there could be a case made for more extensive sharing of good practice.

Knowledge-sharing processes typically involved the convening of think tanks or meetings to share experiences. Outcomes of these sessions could not be determined through this short survey. However, to be effective, they should yield a deep understanding –

that is then applied – of lead practice, lessons and challenges experienced in delivering, scaling and measuring the effectiveness of development solutions.

Pooling of funds provides a mechanism to channel funding to implementing partners, contracted to deliver a defined part of a holistic solution. The advantage of a collective fund is that it can enable scaling, investment in robust monitoring and evaluation, opportunities to meaningfully engage with government and other stakeholders and, theoretically, the ability to achieve more extensive project impact. Barriers to this form of collaboration include cost and bureaucracy associated with governance of the fund, the loss of brand profile of participants and opaqueness of fund flows.

There are barriers to collaboration at a project level. To survive, NPOs protect their intellectual property and funding

relationships, while companies are reluctant to dilute their brand profile and are sensitive to working with competitors. As a consequence, development is characterised by a multitude of initiatives doing similar work but without any collective measures of impact and efficient practice. Country examples most often related to partner relationships with individual initiatives. Cases of multistakeholder involvement were identified, but there was little evidence of collaboration that extended across a development sector.

There is greater risk associated with more complex and lengthy collaborative initiatives that aim to be scaled or used to achieve systemic change. However, such initiatives offer greater leverage of funding and, given the limited resources that companies have, should be considered when they are on offer. ■

Commissioning independent evaluations

The Zenex Foundation contributes to improved education outcomes for historically disadvantaged learners in South Africa. Through the interrogation of its own programming, the Foundation emphasises the importance of high quality evaluations for learning which, **Dr Fatima Adam** explains, are generally underpinned by high quality commissioning processes.



Why do your projects require independent evaluations?

Zenex recognises that transforming education is a complex endeavour and change is often incremental. It is thus very important to find meaningful opportunities to reflect and learn from previous initiatives on an ongoing basis. For us, it is critical to apply an external evaluation lens to our work, to better understand and then adapt, improve or share it. An external trained eye can be helpful when evaluating interventions, and can help to make findings more credible. Evaluations are particularly important when it comes to strategic and innovative work.

How does Zenex commission evaluations?

First, we ensure that all our projects are clearly described and have explicit theories of change, including specifying key activities, outcomes and impact. Second, we make clear the purpose for commissioning an evaluation. Evaluations can be commissioned for various purposes, such as to improve programme designs and implementation, inform decision-making, establish outcomes and impact and contribute to knowledge. The third is developing clear questions that we want answered and aligned with the purpose. The fourth is knowledge of the costs of the different type of evaluations. For instance, evaluations that test young learners in diverse languages are geographically spread and are more costly in rural areas.

Once we have designed a project and scope of work, we call on the evaluators to pitch. We also ask evaluators to comment on the scope of work and evaluation questions. Zenex then short-lists and selects the preferred provider based on an assessment of their proposals against a set of criteria. Once the evaluator is appointed, Zenex engages them on whether the project is evaluable,

whether the questions can be answered and how they propose to answer these questions. Often, engagement between the evaluator and Zenex involves a robust discussion about sampling, design, methods and the trade-offs that need to be made based on cost and feasibility.

How does this process prevent confirmation bias?

The evaluation questions must be carefully set and be broad enough to prevent biases from cropping up. In other words: did the implementation go as planned; where were the challenges and opportunities; where did we achieve some changes in behaviour, and where did we not? The responsibility lies with the evaluator to ensure that the questions allow for critical engagement with the design and implementation of the projects. Donors also need to ensure that evaluations are not just accountability exercises, but are used to build the knowledge around what works and what doesn't. Ultimately, evaluations should be shared with others, to build a community of practice.

Who should lead the commissioning of an evaluation?

The donor has to lead. In my opinion, however, the donor should assemble a steering committee or consult an expert on the terms of reference. With Zenex, in some instances we design a set of questions and review them with a monitoring and evaluation (M&E) expert, before sending out the call for agencies to pitch. It is also useful to have a selection committee review all shortlisted pitches. This committee could include a project implementer, M&E expert and a subject matter or content expert.

Once an evaluator has been appointed, the donor must closely manage the evaluation by troubleshooting with the evaluator and feeding results and data back to the steering committee.

What key information should be included in the terms of reference and proposals?

Terms of reference are developed by the donor and should include the project description; a very clear description of what you want answered – including questions on the process, outcome and impact; the purpose of the evaluation and what proposals should contain.

Proposals are submitted by the potential evaluators and should demonstrate an understanding of the project; a critique or appraisal of the proposed evaluation questions; demonstration of alignment between the proposed questions and the project design; an explanation of how they will answer the questions, the evaluation design and research methods; what type of sampling they will do and why; CVs and costs.

At what stage of the commissioning process should the budget for an evaluation be decided on?

The evaluation should be budgeted for at the beginning of a project. There are two options available to the commissioner of the evaluation. Option one is to set aside 10% to 15% of the project budget for evaluation. Option two is to estimate a budget based on possible evaluation design and methods that could be used. In both instances robust engagement must be held with an evaluator to agree on possible trade-offs on design, methods and sampling in relation to costs and the evaluation purpose.

DR FATIMA ADAM

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Building monitoring and evaluation capacity for education interventions in South Africa

An evidence-based approach to the design and implementation of projects is an integral part of the Zenex Foundation's work. The Foundation believes that evaluation requires rigorous and systematic methods to answer questions about whether, how and why projects are working.

In order to ensure high quality evaluations, it is imperative that there is a sufficient supply of expert evaluators. However, Zenex's experience is that there is a dearth of qualified and experienced evaluators of education interventions. As a result, in 2018 the Zenex Foundation commissioned a landscape study of Monitoring and Evaluation (M&E) in South Africa to gain insight into (1) institutional (university) capacity; (2) donor needs, and (3) the capacity of organisations and individuals, in particular Black South Africans, to conduct evaluations of education interventions. The landscape study was undertaken by Evaluation Research Agency and Palmer Development Group.

University capacity

There is a wide array of academic offerings in evaluation at South African universities. Nine full academic programmes in M&E were identified, although these offerings are concentrated at a few universities. Nevertheless, these offerings are sufficient to meet current demand for M&E training in the country.

The study found no evidence of a dedicated programme, module or short course in the field of education evaluation in South Africa. The field of education evaluation is not an area of specialisation amongst South African scholars, with those who publish in this field being few in number. Those who supervise students in this field are equally small in number and it is more often the case that scholars in the general field of education research supervise students in M&E.

The greatest constraints for universities are funding and limited teaching capacity, especially in quantitative methodologies. It is vital that the current academic offerings in M&E at South African universities be

strengthened and supported so as to guarantee their sustainability and their capacity to ensure increased and inclusive access to opportunities.

Donor needs for evaluation

Donor organisations expressed a strong demand for M&E. The demand is high as it has become essential practice not only for the public sector, but also for international and multinational organisations and independent development donors. Donors engage in a wide array of M&E approaches, but typically operate at different levels of 'maturity' as far as evaluation practice is concerned.

Organisational and individual capacities to conduct evaluations of educational interventions

A priority challenge is to develop a cohort of skilled Black evaluators who can meet the increasing demand in M&E services. The analysis revealed that there is scope to strengthen support to both organisations and individual Black evaluators. While there is increased access to opportunities, this does not always translate into actual support for skills development and an appreciation of diversity in the workplace. Evaluation service providers are interested in developing or expanding existing internship and mentorship programmes to address this need, but funding remains a key constraint.

The Zenex Foundation has been consistently active and influential in promoting the effective use of M&E in educational interventions in South Africa. The Foundation is consulting widely on the results of the landscape study with the view to set up a partnership with stakeholders to strengthen M&E capacity in the country.

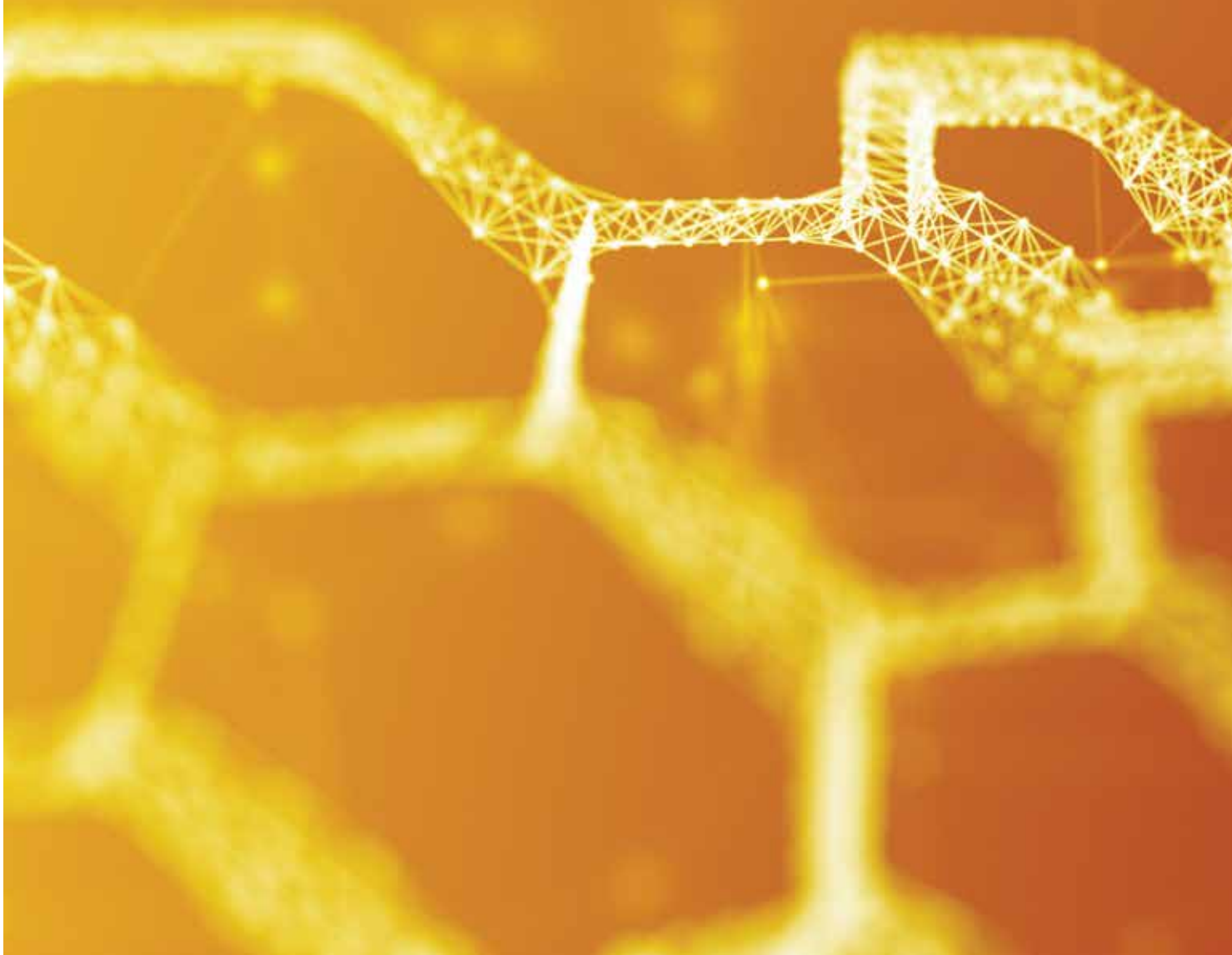


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TRENDS

in global corporate giving

Dialogue tracks local trends in CSI against global trends, comparing its own research findings discussed in chapter one (pages 28–53) to those reported by our global partner, CECP: The CEO Force for Good. The CECP publishes two research reports annually: the *Giving in Numbers* report compiles data from 252 United States-based companies and the *Giving Around the Globe* report features less detailed data from 64 North American companies and 73 companies outside of North America. These reports identify international trends in expenditure, strategy and developmental focus areas.

The data informing the Africa section of the *Giving Around the Globe* report is derived from 18 companies that participated in Dialogue's 2017 CSI research.

US giving grew faster than giving in South Africa

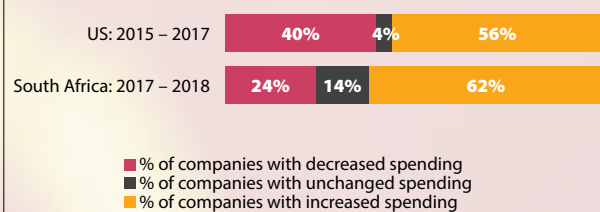
Total estimated CSI expenditure in South Africa grew 2.5% in real terms, to R9.7 billion. Among the companies surveyed by Dialogue, 62% reported an increase in CSI expenditure in 2018 compared to the previous year, while 24% of companies reported a decrease and 14% said expenditure remained unchanged. The most common reason cited by South African companies for increased CSI expenditure was project requirements, while decreasing profits was the most cited reason for declining CSI expenditure.

Total giving by a three-year matched set of 207 US companies increased by 15% in real terms over the last three years, reaching a record amount of \$23.8 billion in 2017. The overall increase in giving reflects the strong financial performance of US companies over this period. Of the 207 companies, 56% reported an increase in total giving, 41% reported a decrease, and 4% remained unchanged over the three-year period. The most commonly cited reasons for an increase in spending by US companies was an increase in disaster relief

contributions, strategic review of societal investment areas and an increase in product or property donations. The most commonly cited reasons for a decrease in spending were declining business performance, and a decline in product or property donations.

Median giving in companies outside of North America was significantly lower than in North America (\$24.7 million), at a median of \$4.3 million. Europe was the second highest, at \$12.4 million. Dialogue's South African sample had a median expenditure of R22 million in 2018 (\$1.7 million).

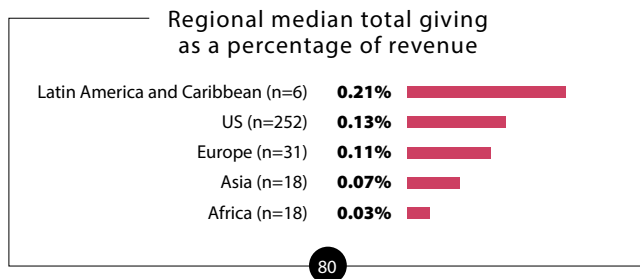
CSI expenditure trends: US versus South Africa



South Africa's giving as a percentage of revenue was the lowest among all regions

Most South African companies use net profit after tax (NPAT) ratios to calculate their CSI budgets, targeting 1% of NPAT, the amount needed to qualify for maximum socioeconomic development (SED) points as prescribed in the Broad-Based Black Economic Empowerment Codes. According to Trialogue's primary research in 2017, South African companies spent an average of 1.1% of NPAT on CSI, down from 1.7% in 2015.

Although not directly comparable, calculations in *Giving Around the Globe* indicate that this is relatively low. The report shows median giving as a percentage of revenue for 18 African companies, all of which are South African, and finds that it was the lowest among all regions (see graph below). Latin America and the Caribbean had the highest median giving as percentage of revenue (0.21%), followed by the US (0.13%) and then Europe (0.11%).



Giving in Numbers calculates median giving as a percentage of pre-tax profit for US companies, which increased to 0.88% in 2017, from 0.83% in 2015. US companies in the top quartile of the sample invested nearly 1.82% of pre-tax profit in community programmes.

Sector drivers of CSI spending

Among South African companies, the mining, financial and retail sectors together accounted for just under two-thirds (62%) of total CSI expenditure, with mining alone accounting for over 30% of total CSI expenditure.

Among US companies, the healthcare industry had the highest median cash giving, followed closely by consumer staples (comprised mainly of manufacturing companies). The US healthcare industry also drove the largest share (62%) of the aggregate increase between 2015 and 2017, with 91% of the increase coming from pharmaceutical companies. The financial sector accounted for the largest share (27%) of the aggregate decrease between 2015 and 2017. This was mainly as a result of budget cuts in the banking industry.

South African and US companies focus on education, health and community development

American companies were more focused than those in South Africa. In 2017, US companies had an average of 1.4 funding programme areas. By contrast, South African companies supported projects in an average of 4.5 sectors in 2018.

Education remained the most popular cause among South African companies, supported by 92% of companies, and accounting for almost half of CSI spend in 2018. This is followed by social and community development and health, supported by 74% and 53% of corporates respectively in 2018. Expenditure on the education and health sectors dropped slightly in 2018 compared to 2017 while corporate support for entrepreneurship programmes and disaster relief increased slightly in 2018.

The top development sectors in the US were similar to those in South Africa and included education, health and social services, and community and economic development. Disaster relief grew the most of all programme areas, nearly tripling between 2015 and 2017, due to the escalation in national and international disasters during that period. This was, however, off a relatively low base as disaster relief remained the smallest sector for contributions in absolute terms. Aggregate cash giving in the US also grew for community and economic development (27%) and environment (11%). All other sectors declined in aggregate cash contributions.

US companies are seeking deeper partnerships

Triologue's 2018 research found that most companies in South Africa (67%) supported between 11 and 50 projects. Only 5% of firms supported fewer than five projects and the number of companies supporting over 51 projects declined from 18% in 2017 to 12% in 2018.

US companies were found to be seeking deeper partnerships by making fewer investments of larger amounts. There was also a trend for US companies to work with fewer non-profit organisations – the median number of recipient organisations (per full-time CSI employee) fell from 52 in 2015 to 38 in 2017.

Measurement of social value continued to rise among US companies

Almost all South African companies (99%) reported measuring the outputs of one or more of their CSI projects, and over two-thirds (69%) claimed to measure impact (the broader long-term consequences of the project) of at least one project. The number of South African companies measuring outputs, outcomes and impacts increased slightly in 2018 compared to 2017.

Compared to three years ago, more US companies measured social outcomes and/or impacts. In a three-year matched set, 84% of companies reported measuring social outcomes and/or

impacts of at least one project in 2017 compared to 81% in 2015 (n=163). Only 18% of US companies measured outcomes/impacts on all grants. This contrasts to respondents in Trialogue's survey in which over half of South African companies (57%) reported measuring project outcomes for all grants, regardless of size.

US companies continue to focus their measurement of outcomes and/or impact on their strategic projects, with 42% of companies in 2017 measuring outcomes and/or impact of their strategic programmes, compared to 36% of the same set of companies surveyed in 2015.

South African and US companies increasingly measure business value of employee engagement programmes

In South Africa, community/beneficiary benefit was the most commonly measured employee engagement benefit (measured by 55% of companies), followed by benefits to NPOs (41%). The business value measured included impact on company reputation (39%), brand value (32%), HR retention (23%) and HR development (15%).

The percentage of US companies measuring the business value of their employee engagement practices increased to 33% in 2017 in a three-year matched set of companies. Commonly cited tools that US companies used to measure these aspects included return on investment (ROI) trackers, employee-satisfaction surveys, tracking employee engagement changes in metrics (e.g. employees' sense of purpose, loyalty and pride in the company), rating of volunteer activities, correlation between business and employee engagement metrics, and performance between employees who volunteered and those who didn't.

Measuring both social and business value correlates with higher giving and employee participation in the US

US companies that measure social outcomes as well as the business value of employee engagement showed a higher median value of total giving compared to companies that measured only social outcomes. These companies also showed a higher increase in giving over the 2015 to 2017 period.

US companies measuring both social and business value also had a statistically significant higher average volunteer participation rate among their employees (35%) compared to companies that measured only social outcomes (26%).

Companies offering pro bono services are increased in South Africa and the US

The percentage of South African companies offering pro bono services increased to 37% in 2018, from 26% in 2017. Pro bono in the US increased to 61% in 2017, up from 54% in 2015. In line with this, paid-release time also increased for both countries.

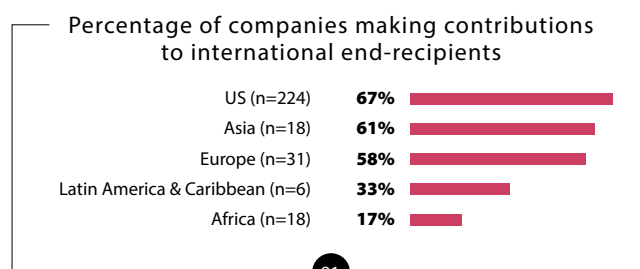
For South Africa, the number of companies offering time off for individuals to volunteer during work hours increased to 65% in 2018, from 58% in 2017. Paid-release time offered by US companies also increased to 66% in 2017, from 58% in 2015.

South Africa remained an outlier in international giving and volunteering

The CECP measures the amount of money that is given to international end-recipients by companies. The research found that two out of three companies gave internationally in 2017, and that this has not changed in a three-year matched set of companies. Among companies that gave internationally, around \$2 million out of every \$10 million donated was donated to international end-recipients.

There were significant regional variations in terms of giving to international end-recipients. Asia and Europe had the highest percentage of companies making contributions to international end-recipients, with Africa the lowest, as shown in the table below.

The figures are even lower in Trialogue's research: only 7% of South African companies surveyed in 2018 supported projects outside of South Africa, and these projects received less than 1% of total CSI expenditure.



North American international giving focuses on developed economies

North American companies have a median of 10 countries in their international giving portfolios. The most developed economies received the most social investment from North American companies, with the UK receiving \$128 million, followed by Germany and Australia. Of the developing countries, Mexico received the highest amount (\$55 million), followed by India, Brazil and then China. South Africa received \$19 million worth of social investment from 31% of North American companies in the subset. This was followed by Kenya which received \$8 million from 27% of companies in the sample.

International volunteering

African companies were also an outlier in terms of international volunteering – companies in the African region were the only ones that did not offer paid-release time to international employees. In 2017, 50% of European companies offered paid-release time to international employees, followed by Asian (33%) and Latin American companies (33%). ■

Sorting fact from fiction

The scope of a social problem needs to be fully understood before it can be effectively addressed. Chief editor at Africa Check, **Anim van Wyk**, explains the key role that data plays in development and why, in the age of fake news, it is so important to be able to interpret data and identify inaccuracies.



What does Africa Check aim to achieve?

Africa Check was founded in South Africa in 2012. It is an independent, non-partisan organisation that assesses claims made in the public arena, sorting fact from fiction and publishing the results. We now also work in Kenya, Nigeria and Senegal to reduce the spread of misinformation in these countries and across the continent. Our ultimate goal is to strengthen democracy by ensuring that policymakers and the public have access to accurate information that they can draw from in order to make informed decisions.

Please comment on the importance of accurate data, particularly with reference to the development sector.

You can't solve a problem unless you understand it, especially in the development sector in which organisations are tasked with solving the most pressing social problems. It's also imperative that accurate data is used to monitor whether interventions are having the desired impact and reaching the right people.

In cases where problems are not fully understood and further research is required, an investment should be made to collect better data. For example, with many organisations claiming that 'every so many seconds a woman is raped in South Africa', it appears that we know exactly how many women are affected. The reality is that we lack updated national estimates on how many rapes go unreported, so the scope of the problem is in fact unknown.

What is the state of data collection, accuracy and interpretation in South Africa, and how does it compare to international standards?

In South Africa, we are fortunate to have a rich thrive such as Statistics South Africa (Stats SA) but, often, people interpret the available data with preconceived ideas,

rather than trying to understand what it really says. For journalists, it's often a case of time pressure and a lack of data literacy. At Africa Check, we provide fact-checking tools for the media. Through workshops and fellowships, we also train journalists to check for accuracy. We also confer annual awards for fact-checking journalism.

Can you give an example of inaccurate data that Africa Check has debunked?

A frequently repeated statistic is that 80% of South Africans consult with a traditional healer over a medical expert for basic healthcare. This claim was based on a throwaway line from a book published in 1983 by the World Health Organisation (WHO), which had been incorrectly quoted over the years. Meanwhile, Stats SA's latest *General Household Survey* showed that fewer than 1% of households reported consulting a traditional healer first when a family member fell ill or had an accident. This claim can be harmful when it affects how public health programmes are designed.

How can data be effectively collected and verified?

When collecting data, surveys have to be carefully designed to ensure that the final data is generalisable and representative. To verify the data collected and to understand its limitations, it helps to rope in experts in the field that the data stems from. For example, we fact-checked a claim about which cities have the worst air quality. While the WHO has a database on air quality in various cities, some of the entries are quite dated. The last entry for Johannesburg was in 2011, which obviously doesn't reflect the current situation. Also, experts told us that different cities measure air quality differently, so it's not as simple as saying that, based on WHO data, a city has the most polluted air.

What are the tell-tale signs of 'fake news' and poor reporting?

In both cases, a lack of clearly identified sources should set off alarm bells. Typical 'fake news' stories contain a lot of exclamation marks and spelling errors. If in doubt, study the 'about us' page of a website – it can tell you whether the publication has a history of publishing quality information. Some sites state upfront that they cannot vouch for the accuracy of their stories. Africa Check put together a guide to spotting fake news and frequently publishes further tips, including how to conduct a reverse image search, which can tell you whether a picture has been used before in different circumstances.

What advice do you have for those using data in the design of their development programmes?

Developers of social programmes need to ensure that the data they use applies to their target population. For example, some surveys are only applicable to urban South Africans and will not be representative of people in rural areas. Data is also not transferable from one country to another. Data collection methods are also important. For example, internet polls will exclude people who don't have internet access.

How can corporates support quality collection and use of data?

Corporates should set an example by using quality data sources and accurate data. They can also consider making skills – such as actuarial or accounting skills – available to development organisations and media to support with data interpretation.

ANIM VAN WYK

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MRP Foundation believes every young person should be given the opportunity to reach their full potential.

Started in 2005, MRP Foundation was established to address South Africa's national priorities — youth unemployment and access to quality education.

As a youth development organisation, the MRP Foundation assists young people as they journey from school into

a career, empowering them to break the cycle of poverty and inequality through education and skills development. As an NPO, MRP Foundation doesn't measure profit, but impact. They don't just fund programmes but co-create them and work closely with industry leaders, communities and implementation partners to find viable solutions.

EDUCATION



This holistic programme aims to cultivate educational environments where children can learn effectively, supported by confident teachers in schools that strive for excellence. The programme focuses on four key areas: parent and community involvement; school management and

leadership; learner development and educator development. To impact as many schools as possible, the goal is to expand from 98 to 200 schools.

- In 2018 over **101 000 learners** benefited from the Schools Programme
- In 2018 the programme scaled from **38 schools to 98 schools**

SKILLS DEVELOPMENT



Through demand driven development, the work readiness programme develops the skills of unemployed youth bridging the gap between school and tertiary education and the working world. By working closely with industry, and through one-on-one partnerships with employer partners, Jump Starters are linked to career opportunities in the retail and supply chain industries. Success is measured by how many people are employed, not trained, and the programme strives to achieve even higher employment rates after graduation.

- Since 2007 over **30,063 unemployed youth have been upskilled** with a 45% job placement rate in retail and supply chain (captured Nov 2018)
- The Professional Retail Programme placed **100% of its graduates in 2017**
- Jump Start has expanded from **1 programme in 2007 to 7 programmes** that progress from entry level all the way to management

More information can be found in the Annual Integrated Report on the website

- Become an Employer Partner
- Achieve your B-BBEE goals
- Donate

✉ info@mrpfoundation.org

🏠 www.mrpfoundation.org

📘 MRP Foundation

Our Impact in F2018



R18,036,573
invested into
skills development



R16,360,427
invested into education



99% of individuals participating in programmes are previously disadvantaged



82c of every rand
goes to beneficiaries

LEADING through complexity

A world characterised by high levels of distrust in institutions, in which tens of millions of people are refugees who have fled for their lives, and work is devoid of social purpose and can be carried out by technology rather than human beings...

This is not an introduction to a dystopian future – it is the world in which we live. Trialogue's Global Exchange partner, the US-based CECF: The CEO Force for Good, hosted its annual summit in New York in mid-2018, attracting business leaders from across the globe to discuss how to lead through the complexities of this moment in the 21st century, fraught with uncertainty and instability.

Navigating a world of distrust

The 2018 *Edelman Trust Barometer Global Report* (<https://www.edelman.com/trust-barometer>) is based on an online survey, conducted with more than 33 000 respondents, that measures general populations' trust in government, media, business and the non-profit sector in 28 countries. A 60 to 100 point rating shows trust, 50 to 59 points indicate neutrality and one to 49 points flag a state of distrust. China had the highest level of trust at 74 points, followed by Indonesia at 71 points and India at 68 points. The United States experienced a nine-point decline – the steepest drop in trust ever measured – followed by Italy, with a five-point decrease. Twenty countries showed an average distrust in institutions overall.

"We are living in a world of distrust," said Chris Manzini, managing director of corporate affairs at global marketing firm Edelman, in his presentation of key survey findings. These pervasive levels of distrust, Manzini explained, fuel the demand for expert voices to speak up and demystify falsehoods about their sectors. A need for business leadership in particular is reflected in the 64% global agreement that CEOs should take the lead on change, rather than waiting for government to impose it. Furthermore, the CEO's job of ensuring that their company is trusted was ranked first, followed by the role of ensuring that their products and services are of high quality.

Six steps to help business build trust:

- 1 Look beyond profit and align with social interests.** Fifty-six percent of those sampled believed that businesses without social interest were most likely to fail.
- 2 Develop localised trust-building strategies, based on the trust levels and expectations of the business in the regions in which it operates.** Companies operating in countries with higher levels of trust are more likely to be forward-looking – investing in job creation and a competitive workforce, while companies operating in countries with trust deficits tend to be more guarded.
- 3 Speak up on social issues that companies are helping to address, either through responsible business practices or through corporate social investment (CSI).** CEOs that do this are seen as better leaders and tend to be more respected. Eighty-four percent of those polled expected CEOs to inform conversations around policy and relevant public issues, while 79% thought that CEOs should publicly share the company's purpose and vision.
- 4 Find authentic and innovative ways to communicate with the public.** While the survey found that most people want to make educated decisions, based on fact, rather than marketing spin, it also found 55% of those surveyed to be disengaged from traditional news media; instead getting their information from friends, family and peers.
- 5 Use publicly trusted, credible and somewhat independent voices.** Seventy-one percent of the survey sample trusted the employees of a company more than they trusted the CEO when it came to news about the organisation.
- 6 Activate trust throughout the company.** Based on the finding that 72% of employees trusted their employers, Manzini emphasised the importance of a company's relationship with its employees who serve as ambassadors of the organisational values. Eighty-two percent of the sample expected employees to speak up when something is amiss in the companies that they work for and 61% said that employees should pressure their management to speak out on social issues.

Creating a culture of purpose

According to Nicole Resch, head of accounts at Imperative – an organisation that supports companies to participate in the purpose economy – only 38% of the global workforce is fulfilled at work. She explained people's desire to integrate their personal and professional values and that companies with purpose-driven strategies tend to do better at attracting and keeping talent. But what does a purpose-driven organisational culture entail?

Drawing on insight originally shared by Anne Loehr, vice-president at the Centre for Human Capital, Resch echoed the lost potential of an uninspired workforce that feels replaceable, even by technology. To course-correct, organisations should uncover and articulate their social purpose, which should be part of the motivation for why employees choose to join and stay at a company.

Three key elements for establishing a purpose-driven culture

- 1 An organisation must have strong values that are consistently upheld and adopted by all its employees.** In order to embed these values, companies should explore where their values intersect with those of their employees. To establish an umbrella purpose requires a multipronged approach that explores and incorporates the roles of the institution, the prescribed job titles and the individuals.
- 2 The role of an organisation is determined by its leadership.** When organisational leaders create an atmosphere that allows employees to express themselves and live their values, it lays the foundation for a stronger affinity with the organisation, which could become even more entrenched when the process is inclusive and creates a sense of shared experience.
- 3 When an individual's purpose is unlocked, they are empowered to operate 'from the inside out'.** Companies like Imperative aim to create change agents that advocate for purpose-driven work from within the organisations that they represent. To start the process of unlocking purpose, individuals have to reflect on moments when they experienced undeniable alignment and felt as though they were doing what they were meant to do. The next step would be to identify their non-negotiable values and have them attempt to live those values every day, to see if they align with the decisions that are made within the organisation. Finally, to ensure that these values are maintained, they must be rewarded.

The potential of a global humanitarian crisis

David Miliband, the president and CEO of the International Rescue Committee (IRC), drew a clear distinction between immigration and the refugee crisis. The latter, he pointed out, is the result of people fleeing for their lives, while the former is usually people moving towards a better life. Simply put, the refugee crisis is a humanitarian crisis. According to Miliband, there are currently 65 million refugees in the world, 40 million of whom are displaced within their home countries. Sixty percent of refugees live in urban areas and don't have access to work or appropriate relief.

A University of California study compared two programmes in Rwanda between 2016 and 2017. One offered cash grants to refugees, while the other offered food, hygiene and sanitation aid. After a year, researchers found that there had been significant improvements in quality of life among the individuals who had received money, including improvements in their diets, financial savings and children's growth. Based on this study, Miliband suggested that cash distributions to refugees living in cities would give them more control over their circumstances. He also cited Uganda as a model country for the treatment of refugees. This small middle-income state is estimated to be hosting over one million refugees, mostly from other African countries. Refugees are given access to land on which they can build their homes, freedom of movement in the country and access to work. Meanwhile, other governments are reacting to the crisis by shutting their borders, retreating from the issue and threatening to pull out of the UN Global Compact for Migration. When confronted with stepping up or stepping back, Miliband suggested that civil society and the corporate sector should choose to step up – together.

"The refugee crisis is not a political issue, but a humanitarian one, and should be non-partisan," said Miliband. He noted that employees of major global brands were the ones driving humanitarian issues within their organisations because they have a sense of what global citizenship means. They understand that their companies' success is dependent on global political stability.

According to Miliband, in order to transform a crisis into an opportunity, employees and CEOs are realising that CSI should be strategic; that corporate philanthropy should have an international focus – since business depends on a connected world and the refugee crisis is only a symptom of the forces pushing against this; and that there is nothing like action to create a strong sense of social and employee engagement.

Four ways that companies can respond to the refugee crisis

- 1 The starting point should not necessarily be to write cheques.** For example, Starbucks committed to hiring 10 000 refugees around the world and Intel in Germany committed to employing 1 000 refugees into tech jobs.
- 2 Companies can also offer skills and resources.** Google, in partnership with IRC, developed the online platform, www.refugee.info, to help orientate those seeking refuge when they land in a foreign country. The tool uses low mobile battery power and provides information about where to access services in a familiar language. To date, 800 000 people have used the service.
- 3 Advocacy or using 'your voice' is key.** According to Miliband, when corporates stand up and say, "refugees are our workers, they are our neighbours, they are our family," it sends out an important message of commitment to vulnerable employees.
- 4 Monetary contributions remain important.** Programmes such as Pfizer's partnership with IRC to immunise refugee children in Africa, and Mastercard's commitment to a five-year partnership in Côte d'Ivoire, to improve the lives of young people through skills training and entrepreneurship, employment and overall financial inclusion, have great potential.

Disruptive technology for social impact

With much of the world embracing the Fourth Industrial Revolution, the disruptive power of technology brings into question ethics about how technology should be used. Jennifer Ryan Crozier, president at IBM Foundation and vice president of IBM Corporate Citizenship, shared how the company is grappling with what it means to have ethical stewardship in the age of artificial intelligence (AI). Data security and responsibility issues have demonstrated the need for careful consideration of how the use of data and technology is regulated. Crozier believes that all technology companies must clearly articulate how customer data will be managed, protected and how decisions about the use of AI are made.

Central to ethical stewardship are the links that technology has to education, skills and inclusion. For IBM, education and skills

development in AI are going to evolve the type of jobs that will be available in the future. IBM doesn't believe in replacing humans with technology. While the company employs AI technology called Watson in its education interventions, it believes that teachers are a critical part of education. In the classroom, Watson is intended to serve as a teacher's aide; an adviser that sources lesson plans and assists with assessing students in order to deliver personalised lessons, based on their learning abilities and aptitude.

AI tools like Watson can also be used to facilitate planning for a more equitable future. Nearly half of the global population does not have access to quality healthcare. Watson found that the abilities of under-resourced countries such as Ethiopia, Kenya, Rwanda and Uganda to project what cancer medication would be needed in future transformed their supply and demand. Once this data was made available, it empowered health facilities to negotiate with large pharmaceuticals. Within a few months, the prices of in-demand medication were adjusted and made more accessible to those in need.

Crozier also spoke about blockchain's power of inclusivity. Blockchain makes it simpler to create a ledger of transactions that can be tracked in a decentralised manner. In this way, nothing can be replicated and the transference of anything through the ledger is an entirely transparent process. IBM and Walmart experimented with this tool using a box of mangoes and found that the origin of the mangoes, as well as the conditions that they were subjected to throughout the supply chain could be traced. Ordinarily, tracing this information would take about a week. However, with the use of blockchain, that time was slashed to a staggering 2.3 seconds. IBM also used the process to trace the number of donations made to people affected by hurricane Harvey, in 2017. With blockchain, donors could have access to clear information about how their funds were used.

Core values needed for complex challenges

This rapidly changing world may be demanding corporate responses to increasingly complex issues, but the answers to these challenges remain embedded in timeless core values: trust, purpose and ethical leadership. For their own longevity, companies must contribute to ensuring that the communities in which they operate are socioeconomically healthy and equitable. To strengthen their social licence to operate, companies must clearly define and authentically communicate their social purpose to their staff, customers and other stakeholders. ■



Growthpoint GEMS:

CSI that begins at home

When children thrive, communities thrive.

“

At Growthpoint we have always believed that our staff are our most important asset, so we designed a CSI programme to reward our loyal, hard-working staff by providing education grants for their children.

”

– Norbert Sasse, Group CEO



‘The power of us’ is one of Growthpoint Properties’ core values and it drives our belief that CSI begins at home.

One of our growing and exciting projects is the company’s own in-house initiative - Growthpoint GEMS.

Growthpoint GEMS provides financial support to the children of lower income-earning staff to enable them to pursue a quality education.

“ We believe that true development happens at the level of the individual and flows through to families and ultimately communities. While Growthpoint has an established footprint in a wide range of communities through its CSI initiatives, we felt it was important to provide support to the dedicated staff within the company. ”

– Shawn Theunissen, Head of Corporate Social Responsibility.

GEMS affords children the opportunity to enrol at good public or former Model C schools, or tertiary institutions. The education grant covers prescribed school fees, uniforms, stationery and learning materials, and transport for school field and sporting trips. Tertiary bursaries are for helping students to earn or complete their first undergraduate degree.



GROWTHPOINT
PROPERTIES



Education is at the heart of all Growthpoint's CSI initiatives with programmes aimed at creating a more inclusive society. As a partner in bettering South Africa and its children, we believe that for education to thrive, investment in our own people is crucial.

Highlights 2017/18



52

students accessed quality education



R4.9 million

invested



All formal education phases

Primary - 19 children

Secondary - 21 children

Tertiary - 12 children

Preparation for GEMS began in 2016 and the programme ran for the first time in 2017. Its first year quickly revealed valuable insights into the socio-economic issues that are facing countless homes in South Africa. Many children receive inadequate support in their current schools and battle with learning gaps in fundamental subjects.

We really do our homework and research the beneficiaries of our programmes and work with them to ascertain their needs.



“ I was honoured to receive this scholarship from Gems and I'm grateful for the opportunities it will provide me. I always dreamt of going to university but because of financial reasons I was never sure a university education would be possible. Without a doubt, this scholarship will play a key role in achieving my educational dreams. Because of your generosity, the financial burden for my education will be reduced. That means I can spend more time on my studies and less time worrying about my finances. ”

– Nokwanda Hlazo, Growthpoint GEMS student

Working with our GEMS parents and children, we quickly understood that academic support is only the first step in equipping them to get the most out of quality education.

The holistic programme encompasses academic, leadership, psychosocial and parent support.

“ Along with financial benefits, the Gems programme includes leadership camps, as well as academic and psychosocial assessments which benefit both student and parent. It has helped boost my daughter's confidence, strengthened her academic focus and she has learnt the importance of giving back. ”

– Megan Dyce, Growthpoint GEMS parent



More support will be added in 2019 and we expect another ten children to join the programme. Students will be provided with access to tried-and-tested support tools for core subjects, and even more intentional psychosocial support will be offered for families and children.

For more information about Growthpoint's Corporate Social Investment please visit www.growthpoint.co.za.

BUSINESS

in society

In 1919, the Dodge Brothers sued the Ford Motor Company for operating in a way that prioritised the interests of its employees and customers above those of the company's shareholders. Asked on trial about the purpose of his company, Henry Ford said that it aimed to do as much as possible for everybody concerned; to make money and use it to create employment and to ensure that its cars reached as many people as possible. He mentioned money as an incidental factor, saying that business was a service, not a bonanza. While the Michigan Supreme Court did not agree, a century later we continue to grapple with the role of business in society.

Consumers and employees want to align themselves with companies that care about more than the bottom line which, of course, impacts the bottom line. Compliance-based business ethics must be complemented with business decisions that balance complex trade-offs, with a bias towards long-term social and environmental sustainability that is also likely to result in greater financial return in the long-term.

In recognition of the increasingly holistic role of business within society, in 2017 Trialogue renamed this publication and its annual CSI conference to the *Business in Society* Handbook and conference. Corporate social investment (CSI) may be a convenient entry point into the responsible business conversation, but it is just one of many business responsibilities that include ensuring ethical operations and value chains, the provision of quality and accessible products and services, job creation, paying taxes, empowering communities and helping to ensure environmental sustainability.

Codes and frameworks for the economics of higher purpose

There is a plethora of national and international guidelines for conducting business in a responsible and ethical way, that contributes to broader value creation in society and ensures the effective communication thereof. Rather than over-reporting that lacks depth, companies must start by defining their social and environmental priorities and then look at aligning those with the relevant objectives that they can meaningfully impact through their core business, and comprehensively report thereon.

Global development and reporting frameworks

The United Nations Global Compact (UNGC) is a call to companies to voluntarily align their strategies and operations with the UNGC's Ten Principles on human rights, labour, environment and anti-corruption; and to take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals (SDGs), with an emphasis on collaboration and innovation.

Executive director of the Global Compact Network South Africa (GCNSA), Dr Achieng Ojwang, explains that, as the UN platform for the private sector, the UNGC is mandated to ensure that the SDGs are embedded in business strategies and operations, "using a principles-based approach through the UNGC's Ten Principles to create impact on the 17 SDGs".



Visit <https://www.unglobalcompact.org/what-is-gc/mission/principles> for more information on the UNGC's Ten Principles.

The GCNSA also serves as the private sector partner to the Department of Planning, Monitoring and Evaluation in the Presidency, coordinating the local Voluntary National Review – a process in which countries report to the UN on their performance against the SDGs. South Africa will report to the UN in July 2019 and the report will reflect performance on the SDGs, as well as the National Development Plan which is to a large extent aligned to the global goals.

How companies can contribute to the SDGs

- **Define priorities:** Companies are encouraged to focus their efforts by defining their priorities. This can be based on an assessment of positive and negative, as well as current and potential impact on the SDGs, through a company's value chain.
- **Set goals:** This helps to foster shared priorities, supporting better performance across the organisation and demonstrating a commitment to sustainable development.
- **Integrate sustainability into the core business functions:** This is key to achieving set goals. To pursue shared objectives or address systemic challenges, companies can engage in strategic partnerships across the value chain.
- **Report and communicate:** The SDGs enable companies to report on sustainable development performance using common indicators and a shared set of priorities.

SDG Compass: <https://sdgcompass.org>

Integrated reporting is described by the International Integrated Reporting Committee as enhancing the way businesses think about, plan and report the story of how their resources are creating value. The International Integrated Reporting Framework and the GRI Standards for sustainability reporting are international frameworks that represent global best practice for reporting on a range of economic, environmental and social impacts.

Local governance code drives integrated thinking

The King IV Report on Corporate Governance for South Africa 2016 is the latest iteration of South Africa's governance code that aligns with best practice and shifts towards inclusive and integrated capitalism. International expert on corporate governance and sustainability, and chair of the King Committee, Prof Mervyn King, describes this reinforcement of good corporate governance as a lever for value creation:

"Good governance is about quality and not about a mindless quantitative checklist exercise. It becomes mindful when practitioners are striving to achieve principles which will result in the four good governance outcomes of ethical and effective leadership required by King IV: adequate and effective controls and oversight; value creation in a sustainable manner; trust and confidence in the entity; and legitimacy of operations."

Prof Mervyn King

Creating shared value versus strategic CSI

Creating shared value goes well beyond the notion of CSI, making far greater demands on the business than the one percent of net profit after tax. While CSI has social and, if done strategically, business benefit, shared value must form part of the business model and be driven from the top.

Companies create shared value by identifying business opportunities in response to social problems; opening up new markets, tapping into a broad range of skills and pooling various corporate resources, including research and innovation.

“Rather than seeing business and society in opposition, [companies] recognise the enormous potential of business to contribute to social progress. At the same time, they understand that firms depend on healthy and well-functioning societies to thrive. Such companies seek to create ‘shared value’ — incorporating social issues into their core business strategies to benefit both society and their own long-term competitiveness.”

Creating Social Value:
Investments that address social and environmental objectives

Creating Shared Value:
Investments in long-term business competitiveness that simultaneously address social and environmental objectives

Creating Business Value:
Investments in long-term competitiveness

– *Creating shared value: A how-to guide for the new corporate (r)evolution*, by Valerie Bockstette and Mike Stamp



Visit the Trialogue Knowledge Hub for more information on shared value:
<http://www.trialogueknowledgehub.co.za/index.php/topics/corporate-responsibility-practices/sharedvalue>

Shared value cannot, however, be hailed as the panacea to all social challenges, nor does it replace a company's philanthropic responsibility to support welfare causes that cannot be addressed with profit-based solutions. Recognising the need for business activities to extract a degree of return on investment if they are to be sustained, Trialogue advocates for companies to practice strategic CSI that has significant developmental impact, as well as a positive impact on the business, beyond reputation.

■ *Read more about strategic CSI on pages 70–71.*

Equitable employment trumps charity

Speaking at The Trialogue Business in Society Conference in 2018, Bonang Mohale, CEO of Business Leadership South Africa, said that a key business challenge was to ensure that decisions benefitted both shareholders and stakeholders, emphasising the obligation to pay decent wages. “Good leaders,” he said, would “enact good policies that are in the best interests of the majority and would improve the quality of life of those less fortunate.” This is a sentiment shared by former Public Protector of South Africa, Prof Thuli Madonsela, who at the same gathering reinforced the need to guard against the indignities imposed by poverty, inequality and unemployment.

One of the most immediate ways for companies to fulfill their social and ethical responsibilities is to ensure that staff are equitably and fairly remunerated.

Amazon employee protests in 2018 also demonstrated the fallout of a lack of ethical business leadership. CEO and founder Jeff Bezos' fortune leapt from \$39 billion in 2017 to more than \$151 billion by mid-2018. He was the first person to top \$100 billion and had the biggest one-year gain ever on the Forbes list of the World's Billionaires. His company, however, has been widely criticised for its treatment of workers. Over 100 000 employees work in temporary positions, receiving no benefits and low wages. In July 2018 employees across Europe went on strike over “miserable salaries” in Poland, “very demanding measures to control times and efficiency” in France, and the lack of “collective agreement in guaranteeing the rights of all workers independently of their centre” in Germany, according to the official strike announcement. Adding insult to injury, Bezos is estimated to make around 140 times more than the average Amazon employee. Ed Burmila said in his Rolling Stone article titled *Jeff Bezos, Amazon and why ‘charity’ is the wrong solution*:

“Imagine if a company of such staggering wealth (...) paid its employees enough to send their own kids to college. If that happened, college applicants might not need to pray for the goodwill of benevolent billionaires to afford an education.”

Ed Burmila

In the last quarter of 2018, Amazon announced that it would pay all its workers in the US, including contract and part-time staff, \$15 an hour – more than double the \$7.25 federal minimum wage in the States (which has remained unchanged since 2009). The company also increased wages for its UK employees to £10.50 in London and £9.50 in the rest of the country. “We listened to our critics, thought hard about what we wanted to do, and decided we want to lead... We’re excited about this change and encourage our competitors and other large employers to join us,” said Bezos.

Labour law should be perceived as the barest minimum, rather than the extent of a company’s responsibility to its employees. “In advancing gender equality in the workplace and community, we challenge companies to get to know their employees and to understand the unique health and safety needs of women at work; the challenges with public transportation and the risks that they face daily to get to the workplace. This kind of intelligence enables a company to respond appropriately to the needs of its employees,” said Dr Ojwang.

Inclusive business demands a diverse workforce

A personal care brand ad shows a black woman turning into a white woman ‘thanks’ to the body lotion being promoted. A clothing retailer ad features a black boy wearing a sweatshirt that reads: “Coolest monkey in the jungle.” In response, the Twittiverse begs the question: How could such big brands make such big mistakes?

At the opposite end of the advertising spectrum, a sportswear company’s ad marking the brand’s 30th anniversary features Colin Kaepernick as the protagonist. In 2016 the footballer began kneeling during the national anthem in protest of racial injustice and police brutality against black people in America. In the ad, which celebrates inspirational athletes of different abilities, race and genders, Kaepernick says: “Believe in something. Even if it means sacrificing everything.” The ad has been both hailed as progressive and blasted as unpatriotic. Despite the backlash, Edison Trends reported a 31% increase in online sales in the three days following the release of the ad, which also generated important dialogue about discrimination and inequality.

Equally important, however, for companies that do decide to speak out on social issues is that the rest of their business practices align with their socially conscious marketing. Are these companies employing a diverse workforce? Do they support diversity through their business practices?

The gendered perspective is another that demands a conversation about how business must restructure itself to better accommodate the dual and complex roles that women are expected to play in both the home and workplace.

Companies must commit to retaining and promoting women. The GCNSA has prioritised gender equality in business through its flagship project. “We are using gender equality as an entry point into the SDGs. There are no less than 12 SDGs that impact gender equality so it can be used as a way to engage the other SDGs,” says Dr Ojwang.

In his keynote address at the Trialogue Business in Society Conference, Bonang Mohale drew attention to the fact that, in South Africa, women who held the same positions as their male counterparts received just 73% of men’s salaries. Mohale urged companies to better accommodate women and their families through simple and immediately actionable measures such as setting meetings at times that allow for parents to ensure that their children get to school safely. He also questioned the number of leave days available for parents to spend quality time with their children.

Vodafone’s commitment to supporting the women in its workforce includes the innovative ReConnect initiative, which supports women to return to the workplace after maternity leave. The company’s maternity policy offers women 16 weeks of fully paid maternity leave and full pay for a 30-hour week for the first six months after their return to work. The company has also piloted an approach to recruitment that aims to reduce gender bias in job ads. Within a three-month trial the company saw a 7% increase in the number of women recruited into specific roles.

There is no space left in the current climate for companies to practice employment diversity for diversity’s sake. Businesses must begin to embrace the true value that diverse and empowered teams can help to realise in the creation and marketing of their brands. After all, when companies are powered by diverse perspectives and world views, they are better able to resonate with broader markets and wider audiences.

Business as a meaningful service

Compliance-based business ethics, creating shared value, practising strategic CSI and employing and empowering diverse workforces who are equitably remunerated are by no means intended as a comprehensive list of the roles that business must fulfill in society. They are however some of the key elements required to strengthen stakeholder interaction and help business to assume its rightful role as a meaningful, trusted and valued contributor in society. ■

Business IS society!

THE RMB FUND, our corporate social investment (CSI) vehicle, is a division of the FirstRand Foundation. RMB Fund partners work hard in the creative arts and the environment sectors. Some promote access to quality arts education and excellence in music, dance, drama, visual arts and heritage, enabling young people to participate effectively in the creative economy. Others facilitate the rehabilitation, restoration and conservation of natural ecosystems through partnerships, for the wellbeing of people and their environment. They promote education and skills development for a green economy.

However, CSI attracts disproportionate amounts of attention. We have an unimaginative obsession with the legislated 1% net profit after tax (NPAT) that constitutes a drip feed of support into South African society and gives companies a couple of points of B-BBEE scorecard relief.

Whether business leaders are pressured by clients and peers to donate to various causes; colleagues want to convey goodwill via company CSI programmes; employees want to leave accounting, payroll, human capital or other business roles, assuming that CSI is a lovely way to 'give back'; non-profit leaders and fundraisers persistently sell their work as silver bullets for certain issues; or souls want to join a 'CSI department' to live their dreams and mould strategically established programmes (and therefore the world) based on their feelings, our default of turning to 1% NPAT for all of the above is unhealthy and *really* not the best we can do.

With almost a decade of CSI (and parallel corporate) experience on the clock, and more work experience before that, in teaching and the arts NGO space, I have some perspective I believe I'm allowed to share.

CSI is not a social conscience ATM, to be called on to please crowds, clients and others. It is a great playground of development, where one can learn many lessons – ideally for leverage in bigger business spaces – for far greater impact. 'Business people' are human beings and part of, if not catalytic in, positive and negative societal and environmental impact.

THAT is business in society.

Heralding CSI as the key driver of a sense of meaning and purpose among employees, or as the poster child of humanity in business, undermines the vast potential that exists in each of us, to solve our biggest challenges, together.

At **RMB** we apply Solutionist Thinking to economic, social and environmental challenges. We promote good citizenship and innovative partnerships beyond business as usual.

RMB's positive role in the economy comes through financing infrastructure, funding BEE transactions and providing capital for our clients to grow. And yes – we make substantial CSI investments under the FirstRand Foundation banner. But you might be interested in a specific example where Solutionist Thinkers are trying to benefit South Africans beyond the company's CSI mandate.

The Shalamuka Foundation is focused on building a sustainable endowment fund for its sole beneficiary, the Penreach Whole School Development Programme (Penreach). The Foundation's private equity initiative, Shalamuka Capital, was originally established by Paul Harris, former CEO of FirstRand, in 2006. Shalamuka Capital was established with RMB Corvest as joint venture partner providing funding and private equity expertise.


Over the past 13 years RMB Corvest has assisted Shalamuka Capital in investing R550 million across 35 companies, creating an investment portfolio with a current fair value of over R1 billion. This investment portfolio will generate returns that will ultimately result in funds to sustain, develop and grow the Shalamuka Foundation and directly ensure the longevity of Penreach, whose mission is to improve the quality and accessibility of education for teachers and pupils in disadvantaged, rural schools, from early childhood development (ECD) to the mentoring of school governing bodies.

Dividends paid by Shalamuka Capital to the Shalamuka Foundation have assisted Penreach to build an ECD Centre of Excellence and host numerous teacher training workshops. In addition, many of Shalamuka Capital's investee companies have directly assisted Penreach with fundraising – just one great example of how we can apply Solutionist Thinking to economic, social and environmental challenges.

Stay tuned for more examples of **RMB** Citizenship Stories, where we share how we apply Solutionist Thinking to economic, social and environmental challenges, promoting good citizenship and innovative partnerships beyond business as usual.

If you really do want to know about the RMB Fund, our CSI vehicle, please visit <https://www.rmb.co.za/csi>

Yvette Nowell | Head of the RMB Fund | yvette.nowell@rmb.co.za | 011 282 4648



THEY'RE WORTH MORE IN THE BUSH

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Some things are just obvious. At RMB we apply Solutionist Thinking to economic challenges – but also to social and environmental challenges. In line with Government's Green Economy approach, our Environment Programme facilitates the conservation and restoration of natural ecosystems through partnerships, education and training. Investing in existing resources today to protect the future.

🔍 Search **Solutionist Thinking**

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CHAPTER FIVE

An anthology of articles
on topical issues in
development.

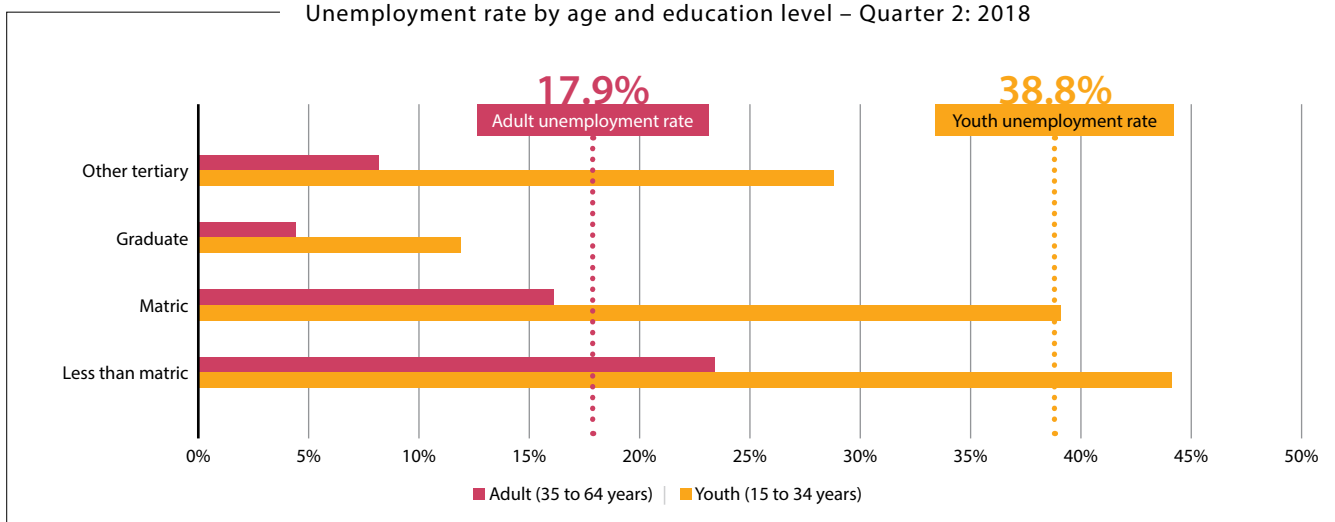


How corporates can support access to tertiary education

According to Statistics South Africa (Stats SA), nearly eight million out of approximately 20 million youth (aged 15 to 34 years) were not in employment, education or training (NEET) in the second quarter of 2018. The data further demonstrates the correlation between levels of education and unemployment: 39% of youth with a highest education qualification of matric were unemployed, with this number dropping to just below 12% for tertiary education graduates. The urgency indicated by these statistics, ongoing student protests and a severely strained economy must compel government, civil society and the private sector to find collaborative and innovative ways to improve access to higher education and training that will facilitate youth empowerment and economic participation in South Africa.

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Unemployment rate by age and education level – Quarter 2: 2018



Stats SA (Quarter 2: 2018)

The cost of free further education

While the #FeesMustFall movement – which demanded institutional transformation and free access to tertiary education – gained momentum in 2015, it was by no means a new struggle; arising from ongoing, but less publicised, student protests at historically black universities in post-apartheid South Africa.

In 2016, in response to #FeesMustFall protests, former president Jacob Zuma established a Commission of Inquiry (dubbed ‘the Fees Commission’) to investigate and make recommendations on the feasibility of free higher education and training in South Africa. The resultant report of more than 700 pages, released in late 2017, acknowledged the state’s constitutional duty to make further education progressively available and accessible, through reasonable measures, to everyone. Ultimately, however, the Commission found that the state did not have the capacity to provide free tertiary education to all students; that full subsidisation of poor and working-class students was not possible in the short term, and that it would not be viable or in the best interest of the expansion of South Africa’s higher education and training sector.

Despite these findings, on 16 December 2017, Zuma announced that government would introduce free tertiary education for poor and working class undergraduate students.

As recommended by the Fees Commission, government expenditure on higher education and training would be increased, from 0.68% to at least 1% of GDP, starting in 2018 and phased in over a five-year period. During this period, poor and working class students in their first year of study in undergraduate programmes, at public universities or technical vocational education and training (TVET) colleges, would be fully subsidised.

In his announcement, the former president’s definition of poor and working class students was “currently enrolled TVET college or university students from South African households with a combined annual income of up to R350 000”. For students from households earning up to R600 000 a year, there would be no tuition fee increase during the 2018 academic year, and existing National Student Financial Aid Scheme (NSFAF) loans would be converted to full grants. It was also announced that grants for poor and working class students

would continue to be administered and managed by NSFAS.

According to the 2018 *Estimate of National Expenditure* report by National Treasury, the announcement of free further education meant that expenditure on bursaries would need to increase from R10 billion in 2017/18 to R38 billion in 2020/21, to support more than two million undergraduate students at universities and TVET colleges.

In his 2018 budget speech, then minister of finance, Malusi Gigaba, announced that “the largest reallocation of resources towards government’s priorities was on higher education and training, amounting to additional funding of R57 billion over the medium term”. This reallocation of resources is being funded through various mechanisms, including the one percentage point increase in VAT, the increased fuel levy, alcohol and tobacco excise duties and eco- and luxury goods taxes. There will also be minor adjustments to personal income tax brackets. Medium-term budgetary implications include decreased government expenditure on energy, public sector infrastructure and provincial roads maintenance; to be implemented over a three-year period.

The burden of poor planning

Following the announcement of free tertiary education, during the four-month application period for 2018 funding, NSFAS received more than 410 000 applications (259 000 for university funding and 151 000 for TVET college funding) from students entering institutions of higher learning for the first time. Of the 259 000 university funding applications, 204 000 met NSFAS funding criteria and 112 000 confirmed university registration. Of the 151 000 applications for TVET college funding, 138 000 met NSFAS funding criteria and 83 000 confirmed college registration.

NSFAS received more than 410 000 applications: 259 000 for university funding and 151 000 for TVET college funding from students entering institutions of higher learning for the first time



University

Of the 259 000 university funding applications, 204 000 met NSFAS funding criteria and 112 000 confirmed university registration

TVET

Of the 151 000 applications for TVET college funding, 138 000 met NSFAS funding criteria and 83 000 confirmed college registration

Unsurprisingly, NSFAS experienced significant administrative, ICT, human resource and governance challenges as the organisation found itself completely unprepared for the influx of applications that would follow the announcement of fully subsidised tertiary education. The backlog in payments resulted in the minister of higher education and training suspending NSFAS applications for 2019, to allow time to integrate registration and funding data between NSFAS and universities and colleges; to conclude the signing of student bursary agreements; to notify students about confirmations of funding; and to facilitate the disbursement of funds to students without further delay. Once NSFAS confirmed that the backlog in payments to students and higher education institutions had been cleared, applications for 2019 were reopened on 31 August 2018.

Wraparound support can help students to not just survive, but thrive

In addition to the high cost of accessing tertiary education, the #FeesMustFall movement also highlighted the psychosocial challenges that impact the poor performance and high dropout rates of students, even when their studies have been paid for. The transition from under-resourced schools and communities to tertiary institutions can be academically, economically, socially and culturally taxing for students. To thrive in a rapidly evolving and technologically-driven world, in addition to academic knowledge, students importantly also need to develop their resilience, critical thinking, problem-solving and collaborative abilities.

Companies that provide bursaries for tertiary studies – the majority of which typically goes towards fees – should consider shifting resources to aspects of wraparound support, to help ensure that students succeed. In addition to financial support beyond tuition fees – to cover the costs of learning material, course-specific equipment, private accommodation (since university accommodation is at capacity),

meals, travel and other basic needs – wraparound support for students can also include:

- **Bridging programmes** for grade 12 learners who do not meet the academic entrance requirements to access higher education and training
- **Bursary application support** as the process can often be administratively daunting
- **Academic support** through tutoring and monitoring of performance to ensure that students meet the academic requirements to write their final exams
- **Medical support** could include health screenings and connecting students with health service departments at universities
- **Mentorship** could be provided by staff members or graduates from similar socioeconomic backgrounds, and be supplemented with periodic training and workshops covering topics such as financial management and leadership development
- **Skills development** could include computer training and 'soft skills' development
- **Job readiness programmes** could include aptitude assessments and career guidance, assistance with drafting CVs, identifying job opportunities and preparing for interviews
- **Job placement** assistance for graduates

Companies should consider how their core business competencies can be used to enhance the support that they offer to tertiary students and should also develop measurement tools to ensure that the support provided is responsive to students' needs and impacts throughout rates. The Dell Young Leaders Programme for example, which offers wraparound support for tertiary students, uses technology to manage administration, funds and the tracking of students' attendance, interactions with staff and next steps required to ensure success. The latter serves as an early warning system for interventions.

Funding the 'missing middle'

Students from households with an average annual income of between R350 000 and R600 000 are referred to as the 'missing middle'. While government has committed to providing free tertiary education to poor students, tertiary education for the 'missing middle' will be supported through a combination of loans and grants that are inversely related to their household incomes.

The Ikusasa Student Financial Aid Programme (ISFAP), established in 2016, is funded by government and various corporates, including the FirstRand Foundation, Hollard, Investec, Liberty, Mondi, Sappi, Sasol and Volkswagen. It aims to develop a sustainable funding model for the higher education costs of South Africa's missing middle, with a focus on studies in scarce skills that have been identified as critical to the country's economic development.

For the pilot in 2017, the average cost per student – including registration, tuition, accommodation, learning materials and wraparound support – totalled R102 099. Funding is a combination of a grant and a loan, based on a student's family income.

In 2017, ISFAP reported that the missing middle – constituted of half a million students (65% of the university population) – would cost R42 billion per annum to fund. NSFAS is currently ISFAP's primary source of funding, but a large portion of the total budget required will be solicited from the private sector, development foundations and private capital markets. It is envisaged that companies' skills development expenditure, in line with the Broad-Based Black Economic Empowerment (BBBEE) Codes of Good Practice, will be a significant source of funds. ISFAP will be piloted until 2019.

BBBEE amendments to incentivise bursary funding and youth employment

The Fees Commission endorsed the recommendation by the minister of higher education's task team, for the leveraging of BBBEE points when funding higher education for poor and 'missing middle' students to be incorporated into legislation.

Currently, a company is required to spend 6% of its annual payroll on skills development, in order to earn full points for this element of the BBBEE scorecard. Amendments to the BBBEE Codes, gazetted in March 2018, propose that 2.5% of that 6% go towards tertiary bursaries for black students. If legislated, stipends and the covering of ancillary costs, such as travel expenses, will also qualify for skills development points. Amendments also promote the development of an industrial skills base, support for professional, vocational, technical and academic learning programmes, achieved by means of professional placements, work-integrated

learning, apprenticeships, learnerships and internships.

The Youth Employment Service (YES) Initiative was launched by President Cyril Ramaphosa in March and gazetted in August 2018 by the Department of Trade and Industry as an addition to the BBBEE Act. This business-driven partnership with government aims to build economic pathways for black youth, by providing one million job opportunities to one million youth over the next three years. The private sector will be incentivised through improved BBBEE points and the Employment Tax Incentive (a tax subsidy paid to eligible employers for the first two years that a new and qualifying candidate below 30 years is employed, with the size of the subsidy dependent on the worker's earnings).

These new positions must be created in addition to existing jobs within the company, to ensure that each candidate receives dedicated and quality work experience. If a company is not able to create new jobs, it can sponsor the creation of new jobs within smaller companies (possibly within their supply chain).

Companies can say YES to improving and streamlining TVET

South Africa has high rates of youth unemployment, but also has a skills shortage. It seems counterintuitive that applications to universities far exceed institutional capacity and that TVET colleges seem to be viewed as inferior to universities. The Fees Commission recommended the expansion, improvement and streamlining of TVET institutions, in order for these to become "institutions of first choice", as well as for TVET students to receive fully-subsidised free education. In order to fund this, the Commission recommended a R50 billion investment, which it advised should come from the surplus Unemployment Insurance Fund.

TVET programmes are well aligned with the YES Initiative and current skills needs in the corporate sector. Many TVET qualifications include a practical component requirement. Companies can provide TVET students with opportunities to complete their qualification requirements and gain work experience while earning an income.

Supporting tertiary education supports the future of business

Companies should align their support of tertiary education with their human resourcing needs, government incentives and transformation programmes. If implemented thoughtfully, corporate support of tertiary education could transcend corporate social investment or BBBEE scoring. It could ease the burden of free tertiary education on government and individual taxpayers, and nurture the future of the business: potential future staff, suppliers and consumers. ■

EDUCATION and FirstRand FOUNDATION

It was the classic Irresistible Force Paradox – what happens when an unstoppable force meets an immovable object?

For two years, the #FeesMustFall movement represented the unstoppable force, and shrinking government finances the immovable object.

In February we learned there is no such thing as an immovable object, as former finance minister Malusi Gigaba hiked the VAT rate. While most attributed this to the cost of state capture, the finer details are less controversial: a large chunk of government expenditure is going toward funding fee-free higher education.

This is government's response to the 'unstoppable' protests on university campuses across the country, where students rebelled against unaffordable increases in tuition fees. Initially the state ordered university councils to freeze fee increases, which University of Witwatersrand vice-chancellor, Adam Habib, said had decimated the top institution's finances, bringing Wits to its first shortfall in 11 years.

But now the state has acknowledged pressures on both students and universities, setting aside R57 billion for fee-free education in the 2018 budget.

This has helped Wits "a little bit", but Habib says it is important to remember that the fee-free proposal only affects students with a family income below R350 000 each year.

"These constitute only 30% of [the number of students at] Wits," he says. "The vast majority of our students have a family income of above R350 000, and so we do not benefit from the concession with regards to them."

The fee-free proposal only applies to new students, leaving poor second- and third-year students unable to pay for their studies. It also excludes postgraduate students.

Banking group FirstRand's two philanthropic foundations have responded to the #FeesMustFall protests, with a difference – funding both undergraduate and postgraduate study.

"With #FeesMustFall and the call for decolonising of the academy, the time was right for the FirstRand Foundation to make a big investment into fast-tracking the transformation of universities and creating a new cohort of black South African academics, who are accredited and recognised researchers," says Beth van Heerden, FirstRand CSI special projects.

The FirstRand Foundation invested more than R117 million in tertiary education during the 2017 financial year.

Sizwe Nxasana, who chairs both the FirstRand Foundation and the FirstRand Empowerment Foundation, says education is the single most important investment any country can make in its people.

"South Africa faces major problems with poverty, inequality and unemployment," he says. "To create an inclusive society and address these challenges, it is critical that South Africa invests in education – from early childhood development and basic education to higher education."

Nxasana says while the country has made significant progress in improving access to education, especially for underprivileged

students, challenges remain in improving the quality of this education, coupled with education outcomes which prepare young people for the 21st century.

The World Economic Forum ranks South Africa 106th in the world for the quality of its education system, making it one of the countries with the worst education outcomes in the world.

Nearly R10 million of the foundations' investment in tertiary education wound its way to black academics through the National Research Foundation (NRF) and FirstRand Black Academic Advancement Program.

The grant compensates black academics for the costs of undertaking a research project – from consumables, attending international conferences, research equipment and assistants; to taking time out from work to conduct research.

Van Heerden says in 2015 black South Africans comprised only 6% of the researchers rated by the NRF. The rating is important, as it benchmarks the quality of South Africa's academic research against that of the best researchers in the world.

FirstRand and the NRF have pledged R165 million over five years to increase the number of black NRF-rated researchers.

Beyond just making scholarships available, the two foundations have turned their attention to the entire value chain involved in developing toddlers into educated young adults.

Aside from a R273 million investment in education throughout the financial year, the foundations also invested in the arts, food security and the Harambee youth employment accelerator, a skills programme which prepares young adults for the workplace.

All told, total investment in these initiatives reached R371 million.

"South Africa has not focused enough on early childhood education," says Nxasana. "Empirical evidence shows that the first 1 000 days in a child's life are the most important in brain development. The investment made in early childhood development yields multiples more in returns in terms of human potential, than investment made in later years of life.

"The benefits of investing in early childhood development include high school enrolment and progression rates, lower levels of antisocial behaviour and better adult learning capacity, health and longevity."

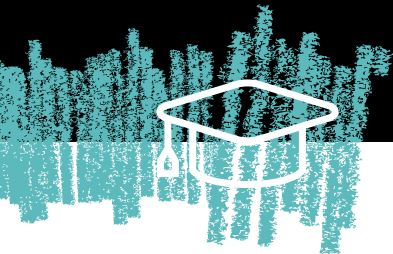
Nxasana says primary education also tends to be ignored in favour of secondary and tertiary education.

"As an example, the extremely high value placed on matric passes means the basic education system sees many learners dropping out of high school before matric, due to various reasons, including the fact that there is increased pressure to perform to improve matric results."

This resulted in the foundations amending their strategies to focus on ensuring young people obtain a quality education, and can participate meaningfully in the economy afterwards.

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a QUALITY
EDUCATION
is a BASIC
HUMAN
RIGHT



That is why the FirstRand Foundation and FirstRand Empowerment Foundation are committed to funding education initiatives from childhood to adulthood.



FirstRand
FOUNDATION



What kind of collaboration is needed to move South Africa forward?

In *Collaborating with the Enemy: How to Work with People You Don't Agree With or Like or Trust*, Adam Kahane shares insight from Reos Partners' work; bringing together people who do not understand one another but need to work together. Through these reflections, and based on the concept that collaboration is not the only or necessarily always the best option for working together (sometimes we need to opt out, adapt, or fight), the book proposes an alternative approach to conventional collaboration – coined 'stretch collaboration'. Managing director of Reos Partners Southern Africa, **Colleen Wagner**, unpacks the conditions required to facilitate stretch collaboration and explains why this approach is particularly useful in highly complex situations.

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Towards the end of a training workshop in Jos, a city in northern Nigeria where my colleagues and I had been invited to train several senior government officials following national elections, a participant asked with frustration: "How can we change the mindset of people so that they move beyond the short-term, 'get what I can gain' mentality, to realising that this country can only succeed with a collective, long-term view?" This question resonated with me as much as it did with the audience, who applauded and murmured in agreement.

How can we look at a situation and extract new insight from it? Or, even better, how can we collectively look at an issue and extract the *same* productive insight from it? Often, the best timing for 'stretch collaboration' is when there are high levels of frustration across different centres of power, and yet also an equal sense of what is possible. The sentiment that change is needed in South Africa, coupled with high levels of frustration about the current situation, are good ingredients for working together across differences.

Conditions required for stretch collaboration

In conventional terms, we assume that, to successfully collaborate, we must strive for agreement on what the problem is that we are trying to solve and share a common vision for how the problem should be addressed. The first 'stretch' proposed is that collaboration requires both conflict and connection. Secondly, conventional collaboration focuses on identifying a solution as quickly as possible and creating a plan to achieve it. Stretch collaboration suggests that, when the future is highly volatile and contested, we need to experiment our way forward. Thirdly, conventional collaboration tries to advocate for influencing others' actions – to change 'them'. The third stretch suggests that we need to change ourselves and others, and *step into the game*.

1 Embracing conflict and connection

In South Africa, this collaborative act of embracing conflict and connection plays out frequently when we talk about race. I have been part of collaborative efforts with three very different groups over the past few years: one group looked at ways of reducing violence against women; another, constituted of young postgraduate recipients of a prestigious leadership scholarship, explored the meanings of reconciliation and redress in South Africa today; and the third group was from a large South African bank. All three groups grappled with what might be possible in South Africa more than two decades into democracy,

and had conversations with people spanning various South African realities, including farmworkers, police officers, struggle activists who were imprisoned on Robben Island, staff from universities across the country who were struggling with the implications of #FeesMustFall, and people who were involved in the South African Truth and Reconciliation Commission.

I have heard a dichotomy of opposing views in these conversations. On the one side, there is the continued attempt at reconciliation, born from the dream of the rainbow nation, while, on the other side, there is the view that South Africa's post-democracy transition has in fact maintained the racial, patriarchal and economic status quo. People's appetite to talk and work things out together across our diverse views is at an all-time low. In part, this is because dialogue has been equated to 'reconciliation' and reconciliation, in turn, has been equated with letting those with power and privilege stay where they are. This is exacerbated by the fact that economic and social structures in South Africa have not visibly changed, as hoped.

In our work, addressing increasing inequality and its manifestations, my colleagues and I are often confronted with the dynamics of race, particularly in groups. How do we talk about and acknowledge the realities and perceptions about race and privilege? The aggregate economic and social power of white people in South Africa is still pervasively dominant. Without surfacing these

dynamics in a group, the exercise of working with a complex problem – whether it is about a more effective food system, inclusive financial instruments, or understanding the implications of the National Health Insurance – will always be flawed, since the discussion will be based on the naïve assumption that the starting point is a level playing field. How then is a 'safe space' created to have a conversation about race and inequality, within the context that we are trying to change? It is not necessarily about protection from pain. It is about creating a space for a conversation in which stories reveal the conflict, and perhaps also therefore reveal possible traction. When we start listening to one another's stories, we cross a threshold. This threshold is the awkward truth that, even though we are all trying to work towards a shared identity and future, there are real crevices separating us from one another.

The learning required is how to be in both conflict and relationship. It is not a choice between the two; it is the dual nature that is required of this work.

The common thread across these experiences is that the work of collaboration is not about transcending the past so that we see the world in the same way, but about the willingness to commit to addressing the issues and to staying in a relationship with one another, even when it seems to be the more difficult option. It requires us to acknowledge that people embody multiple roles at the same time – as a person, as a representative of an organisation and as an activist trying to find a way through the compromised world that we live in. In the continuous pursuit of reinventing these relationships, conflict is sometimes inevitable and necessary. The learning required is how to be in both conflict *and* relationship. It is not a choice between the two; it is the dual nature that is required of this work.

2 Experimenting our way forward

For many, the experience of addressing often contradictory symptoms of South Africa's systemic problems leads to despair. It might be because the goal of social equality seems to be slipping further in the wrong direction, or because, despite our best efforts, South Africa is not in the place we had hoped. What is the balance between disillusionment and leadership? How do we live with the daily grind of what is ineffective, while still striving to change things?

A participant and adviser that is working with Reos Partners on a social lab to address violence against women spoke about the importance of hope for her in this work. Hope is not a fixed idea of what should happen, based on past experience. Hope is a vague but strong pull to believe that something could be different. The process of convening a social lab entails, firstly, constituting a group of people who work across differences but have a shared issue to address. The second step is to share perspectives and experiences, and allow for a bigger 'system view' of the issue to emerge. From that picture, the group explores and tests where there might be different approaches to the problem. This process can take months. It is at that point where we cannot underestimate hope.

The Violence Against Women Social Lab was convened in 2015 by the Soul City Institute for Social Justice and brought together leaders from across government departments, non-profit organisations,

social activist movements and donors. Many of the members identified that one of the main reasons that the endemic problems of violence against women exists in South Africa is because of the inability to collaborate across sectors to address the issue.

For a long time, attempts to identify opportunities for collaboration in the social lab did not progress and were often unravelled by expressions of conflict and mistrust. However, through allowing participants to express their frustration, despair and blame, we experienced connection and new insight. It was not an obvious moment but, once it happened, a different quality emerged in the relationship between lab members across sectors. The group reached a point in which it was able to commit to some ideas that it wanted to explore together. It was however prefaced by a series of difficult interactions over time; interactions that had previously created a lot of pain and confusion for the lab members as well as for the facilitation team.

When the solution is not clear, one way to navigate through muddy waters is to work on multiple levels of the challenge simultaneously; the micro and the macro. It means knowing that it is okay that your effort might not fall into a neat linear strategy. It is about identifying 'energy' (an openness to act); moving towards it, and exercising leadership from that position. This energy might not necessarily look like a solution. It might well look like a questioning of the status quo, or a disruption, or an inspiration for change. When dealing with the stuck problem of unemployment for instance, focusing only on creating jobs might not achieve the progress we hope for. Similarly, focusing only on creating more favourable conditions for job seekers, perhaps through mentoring and education, might not get us there either. These two strategies can seem contradictory in an organisation with a single focus, but it is helpful to understand that the movement of two important approaches, even if they seem contradictory, are both needed.

The process of disillusionment after failure is a natural part of creating a swing to

an alternative. There have been times, working on projects that involve people from different organisations and sectors, where change has been frustratingly slow. Initiatives that seemed ripe for impact fizzle out. Change does not happen in a single workshop. Inspiration certainly happens, particularly in those moments of insight or connection, but longer-term change happens with the constant chipping away at the problem and experimenting our way forward.

3 Stepping into the game

I was recently asked to facilitate a programme for an organisation that wanted to learn more about the different contexts and doing business in Africa. Instead of visiting different parts of Africa, the programme used the various African business communities operating in Johannesburg as a platform for learning. As part of the programme, participants were split up into small groups and interacted with business owners across the city; visiting the Nigerian precinct in the inner city, the Ethiopian warehouse traders in the south, Somali mall traders in Mayfair and small business owners in Diepsloot.

Participants were shocked by their preconceived notions about South Africa, the different ways of doing business on the continent and how we collaborate. One of the key principles of systems thinking is that one cannot change a system from the outside. Unless you acknowledge that you are part of the problem, you cannot change it. In our experience, this acknowledgement of being part of a problem often reveals itself in how participants view the problem at hand. This assessment is often informed by subtler influences of our worldviews, people we interact with and the mandate of our organisations. 'Stepping into the game' involves understanding the limited perspective that you have about the problem at hand because you occupy a particular place in a system, and inquiring into a broader understanding of the problem through experiences with others who occupy different places in that particular system.

Social labs are intensive, experimental interventions that bring together people from across the system to seek root causes behind their problems and then collaborate on devising and testing solutions aimed at key leverage points. For more information on social labs, visit <https://reospartners.com/tools/social-labs/>

Is it time for *you* to stretch?

Stretch collaboration is not only applicable for bigger systems. In fact, it can be especially impactful when internalised at an individual level and used to help identify one's own natural defaults when it comes to thinking about collaboration.

1. If you are constantly trying to get a group of people to reach consensus, recognise that as conventional collaboration and understand that it will not always work. Consider how you can be in both conflict *and* connection, rather than feeling as though you have to choose between the two.
2. If you are looking for best practice and seeking expert insight, but not achieving any breakthroughs, it may be time to let go of conventional collaboration and start experimenting your way forward by focusing on where the energy is: this is the point at which people can start working together and does not have to be high risk.
3. When you notice yourself harbouring judgement and feeling frustration that is going unheard about what other parties should be doing to solve the problem, it may be time for *you* to step into the game.

The role of 'invisible middles'

I have come across many 'invisible middles' working across sectors in South Africa; whether it be in organisations working with local government and traditional authorities on land reform, or people working within both corporate boardrooms and stokvels on more inclusive financial products. These individuals and their organisations have the ability to 'see and assemble actors across a system' – what we at Reos Partners call 'convening'.

'Invisible middles' are the people who have stepped into the game. They are typically not in the press or at the frontline of public scrutiny, and they recognise that they cannot affect change independently. What makes them unique is that they have the purpose and ability to engage both the engine room and those steering the ship. They understand the trade-offs and conflicting interests between different sectors and yet know that there are also places of shared interest and concern.

For South Africans to successfully collaborate across sectors, we need to acknowledge the spaces that we occupy and influence, and understand those that we do not, guided by the invisible middles to address unemployment, land reform, healthcare, energy, sustainable food supply, regional integration, social protection, infrastructure and other burning issues. This will require unlikely allies to stay committed for a period of time, to debate, share, experiment and implement. How do we ensure the invisible middles continue to connect people, resources and shared interests?

The invisible middles are critical connectors in South Africa – as an environment that so often experiences intractable division. The more we actively seek them out, notice their role and practice these capacities, the more we create spaces for stretch collaboration and the potential to experience a change in ourselves and our own leadership; how we make sense of our shared challenges, who to work with and how we choose to act together.



For South Africans to successfully collaborate across sectors, we need to acknowledge the spaces that we occupy and influence, and understand those that we do not, guided by the invisible middles to address unemployment, land reform, healthcare, energy, sustainable food supply, regional integration, social protection, infrastructure and other burning issues.

A stretch collaboration case study

"Simple answers make us feel safer, especially in disruptive and tumultuous times. But rather than certainty, modern leaders need to consciously cultivate the capacity to see more – to deepen, widen and lengthen their perspectives. 'Deepening' depends on our willingness to challenge our blind spots, deeply held assumptions and fixed beliefs. 'Widening' means taking into account more perspectives – and stakeholders – in order to address any given problem from multiple vantage points. 'Lengthening' requires focusing on not just the immediate consequences of a decision but also its likely impact over time." – Tony Schwartz

At Reos Partners we work with processes that allow groups to imagine possible futures that move them out of their current frames of reference. What does it take to imagine and act on a picture of the future that is surprising, difficult, and yet worth pursuing?

The Land Reform Futures, convened by Vumelana Advisory Fund, is an example of a high-stakes issue that utilised the Transformative Scenario Planning collaborative method. In 2015 and 2016, a team of around 40 people spent 18 months investing significant time together to develop a set of scenarios about the possible futures of land reform. The scenarios were developed to trigger an open and constructive search for strategic responses to the future of land reform. The scenarios are told as four stories about the future: *Connection and Capture*; *Market Power and Concentration*; *Occupation and Confiscation*; and *Hard Bargaining and Compromise*.

This project culminated in a launch workshop. Despite the interest that these scenarios generated, there was the inevitable question which so often accompanies scenarios exercises: *"So what? What do we do with these stories to change the future?"*

There are useful processes that help groups use scenarios, which is why scenario planning stands as a credible exercise in futures thinking. And still, we will never actually be 100% sure about how to respond to, or even influence, the futures that are coming towards us.

Transformative scenarios are not about predicting the future, they are about creating it. While most scenario planning methodologies focus on adaptation, transformative scenarios seek to not only understand or adapt to the future, but also to shape it. This structured yet creative process helps diverse actors to see the different futures that are possible and discover what they can and must do. Constructing transformative scenarios may lead to working together over time in social labs.

When using Transformative Scenario Planning to think about how to respond to the future, the discussions often revolve around what can be done together to change the future. In the Land Reform Futures process, the group spent a number of days engaging in energetic conversation around these options. These exercises are not about forcing a togetherness, but rather allow for the scenarios to enable many responses to experiment our way forward. These stories about the future activate different and often uncoordinated responses; none of which can be predicted. The point of the exercise is to unlock our imagination to respond. Through that response, we transform the future.

Curiosity and courage

What the concepts of stretch collaboration offer us, particularly in South Africa today, is the ability to listen to a different voice – one that lives in a democracy, and yet is still disenfranchised. We cannot box that voice of anger and frustration only into atrocities of the past. It is the voice of the majority of people living in the most unequal country in the world that is asking to be heard. This voice, and this reality, often evokes fear and flight.

But the antidote to unfamiliarity is not fear. It is curiosity – and curiosity only comes with a dose of courage. So, the big question is how to discern where the voice of judgement and frustration opens up an opportunity into stretch collaboration – when our future in South Africa is uncertain, scary and full of conflict. These are the very conditions in which to embrace conflict and connection, experiment our way forward and step into the game. ■



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Quality learning in the first 1 000 days and beyond



ELRU's FOCUS

We focus on changing the life experiences of young children living in hard to reach communities that are affected by poverty including children with disability. We recognise that childhood is a continuum that starts at conception. Our initiatives are rooted in the community and include parents and other primary caregivers that benefit through targeted programme planning, monitoring and evaluation and training from a dedicated ELRU staffing unit.

OUR PROGRAMMATIC OFFERINGS

Family and Community Motivator (FCM) Home Visiting Programme

This programme focuses on a child's first 1 000 days of development (conception to 2 years), equipping the primary caregiver with the necessary tools to aid the child's growth during this crucial period. ELRU offers FCMs (Fieldworkers in the programme) accredited and structured career pathing towards the following qualifications: community health worker, early childhood practitioner and community development worker.

Our funding is used to strengthen the delivery of nutrition, early childhood care and education and parenting initiatives. The FCM Programme currently runs in the Western Cape, in Langa, Saldanha, Louwville, Vredenburg, Laingville, Lavender Hill, as well as in 8 Service Points in the North West province.

Playgroup Programme

Through our partnership with SmartStart we advocate for non-ECD centre education for marginalised children between the ages of three and five with little to no access to ECD services. We have

The Early Learning Resource Unit (ELRU) is a non-governmental organisation primarily focused on improving the lives of children in the poorest and most vulnerable communities that we serve. ELRU has been a pioneer for the rights of young children in accessing early childhood development (ECD) services in South Africa since 1978. Based in Lansdowne, Western Cape, but with a national footprint, we are best known for our groundbreaking approach in providing children with the Essential Package of ECD Services (Early Learning, Health, Nutrition, Social Services, Support for the Primary Caregiver).

Our programmes create circles of support around the child beginning at conception with particular care for vulnerable mothers and children. Our modes of delivery cut across the ages and stages of early development and include our Family and Community Motivator (FCM) Home Visiting Programme (0-2 years), the Playgroup Programme (3-5 years) and the Whole Centre Development Programme.

Addressing the immediate needs of young children, between the ages of 0 to 6, ensures the foundations of a child's future is established. Hence our slogan: Building Tomorrow, Today for every child.



established Playgroups in the Western Cape, in Langa and Khayelitsha and in the Northern Cape in Keimoes, Loeriesfontein, Danielskuil and Postmasburg.

Whole Centre Development (WCD) Programme

ELRU's Whole Centre Development (WCD) Programme provides holistic support to community ECD centres with clear linkages to the Essential Package of ECD services prescribed by the ECD policy of 2015. The intentions of the WCD Model are to increase a child's wellbeing and early learning by helping ECD practitioners to deliver quality ECD programmes in environments that are clean, safe, well provisioned and registered with the Department of Social Development.

ELRU's focal areas around the WCD Programme include: Infrastructure support, Centre Registration, Practitioner Training, Site Learning Programme Implementation and Centre Development in centres in Langa, Philippi and Louwville/ Saldanha. These centres receive training, coaching and mentoring support.

JOB CREATION

ELRU recruits unemployed women, between the ages of 18 and 35, from the local communities in

which the organisation works, to run our home and community-based programmes. Each fieldworker receives training in a comprehensive ECD skills programme, which is the entry-level course for working in the field. We currently employ over 300 fieldworkers across our programmes who earn a monthly stipend. For many of these women this may be the only form of income in their homes or it may supplement the child support grant. These sources of income help to mitigate the harshest effects of poverty.

In 2018 we reached ● 36 141 Children ● 243 Pregnant women ● 402 Fieldworkers ● 591 ECD centres ● 2 534 ECD practitioners

Email: info@elru.co.za | Tel: (027) 021 762 7500 | Fax: (027) 021 762 7528 | Director: Tracy van der Heyde | Email: tracy@elru.co.za

In conversation with education experts

Triologue partners with Old Mutual and education experts, **Prof Mary Metcalfe (MM)**, **David Newby (DN)** and **Dr Allistair Witten (AW)**, in the curation of content featured in the school leadership and management section of the Triologue Knowledge Hub. Here, they share their views on the complexities and needs of the education sector.

How has education progressed in democratic South Africa?

MM: There have been significant changes in the past two decades, including changes to policy frameworks and the curriculum. While we are not doing as well as we should be, international measures are beginning to show an improvement in learner performance.

AW: There have been some improvements in learner performance, but we need to focus more on how we can take successful improvements to scale, especially in schools that need it the most.

The range of challenges in education can seem overwhelming – from early childhood development (ECD) and literacy at foundation phase, to low take-up and pass rates for maths and science. How should corporates determine how to intervene, if the goal is to get more people into university?

MM: We can't cherry-pick interventions to implement because we think they are interesting or important. We have to understand how they fit into the whole system and acknowledge the inevitable limitations of partial interventions. Getting students into universities should not be the only goal. We need to recognise that half of our young people leave school feeling rejected and like they don't have a contribution to make. That's the greatest threat to our country. We need to maintain and develop scarce skills in our country, but we also need to develop a complete framework of support from ECD level.

AW: We need a systemic view of what interventions are already being implemented and what else will be required to encourage collaboration in those areas. We also need to talk about what a continuum of improvement would look like and identify the incremental steps that are required for children to learn and develop. I refer to this as the 'pathways of learning'. If we start from the early grades, what will this learning and developmental journey look like at every stage of the system? Where are the

"Shift from creating isolated interventions to addressing systemic changes."

blockages that need to be addressed? These are important questions that take the contexts of living and learning into account.

Why is leadership important for ensuring the success of interventions at schools?

MM: School leadership and management is the most important complementary intervention that will sustain other initiatives in schools.

AW: Leadership is essential for the success and sustainability of any initiative that aims to improve learning outcomes. Without getting the school leadership and management team to create the enabling conditions that will optimise the effects of an intervention, the likelihood of sustaining those effects is minimal.

What advice do you have for corporates wanting to invest in education?

DN: Companies need to align and work in partnership with provincial and district education departments to ensure sustainability of their interventions. Provinces have already identified schools that need support based on important criteria, such as the capacity of the school, school infrastructure, and the potential to grow.

AW: Corporates must spend time conducting due diligence in the education field. In too many instances, the urgency of the moment compels organisations to want to intervene quickly, rather than first grounding their interventions in research and practice, and connecting with others working in the field to deepen their understanding of the education landscape.

MM: Meaningful and lasting change needs the buy-in of all stakeholders and takes time to achieve. Corporates need to have clear theories of change and

measurement indicators. Interventions in education must be embedded into the work of the Department of Basic Education, otherwise they are not sustainable. Even when success is not achieved, there are still valuable lessons that are important to reflect on.

DN: Corporates must contribute with humility and recognise the limitations of their contributions because, even if all the corporate contributions are combined, it still makes up a tiny fraction compared to what is invested from the national fiscus. Understand the national plan for education and find ways to support those goals and priorities. Shift from creating isolated interventions to addressing systemic changes. Continuously evaluate the long-term impact of interventions and what will happen when the funding is withdrawn.

Corporates should view the non-profit organisations (NPOs) that they support as research and development departments that are going to have successes and failures. Since NPOs have the time and expertise to develop new ideas and approaches, they should be adequately supported to test those ideas so that they can be carried out in an integrated way and real learning can take place. So, instead of seeking return on investment, companies can look at supporting NPOs in the same way that they would support innovation in their business – it's a shift in mindset.

AW: I think the concept of moral purpose as the underpinning philosophy for improving the education system in our country is key. We need to have a national conversation about that, with corporates being an integral part of that dialogue. Improving the educational and life opportunities of our young people should be the moral imperative of our society. It should form the basis of an education compact that connects all stakeholders around this common goal, and it should override all political and economic interests and influences.



A freely available online body of knowledge for companies and other roleplayers that invest in socioeconomic development

This website allows CSI and development practitioners to access and exchange information, for greater coordination, efficacy and impact within the sector. Content is curated according to developmental topics and sectors and includes best practice CSI, case studies, lessons in development, expert insight and up-to-date research.

CSI and development practitioners are encouraged to share their insights and case studies in any of the available topics.



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Vodacom has partnered with government to improve the state of education in SA within the Fourth Industrial Revolution



Vodacom CEO Partnership Breakfast session, from left are: Shameel Joosub, Vodacom Group CEO; Angie Motshekga, Minister of Basic Education; Sello Hatang, CEO of the Nelson Mandela Foundation and Takalani Netshitenzhe, Chief Officer: Corporate Affairs for Vodacom Group.

Vodacom has a longstanding and solid partnership with the Department of Basic Education. The relationship is premised on Vodacom's commitment to the Sustainable Development Goals and our resolve to be a leading digital telecommunications company that leverages emerging digital technologies to transform lives. As the world leaps deeper into the Fourth Industrial Revolution, it is imperative for the partnership to be assessed against the impact of this revolution on society, especially the youth.

Emerging views on the impact of the Fourth Industrial Revolution indicate that facets of this revolution, such as the Internet of Things (IoT), artificial intelligence characterised by machine learning, big data analytics and robotics, would have both negative and positive implications for society, especially the job market. According to the Organisation of Economic Co-operation and Development, administrative tasks and manual jobs, such as those in the manufacturing, mining, construction, food preparation and cleaning services, requiring low levels of education and skills may be automated. Unfortunately, it is now evident from the World Bank's report issued early this year that one of the contributing factors to South Africa's high levels of inequality is the low levels of education and a semi-skilled workforce. These factors mean that if we do not manage this transformative revolution with circumspection, inequality may remain a major challenge for years to come. As a digital Telco and a Mandela

The purpose of connecting people today,
for a better tomorrow...

Legacy Champion, Vodacom has a responsibility to minimise feared negative disruption of the Fourth Industrial Revolution on society. To this end, stepping up our partnership with the Department of Basic Education requires the use of emerging digital technologies to improve digital literacy, especially for young people in disadvantaged or under-served areas. One of the biggest challenges of the Department of Basic Education is rural migration which does not only deplete population sizes in rural areas, but also contribute to brain drain, leading to shortage of teachers in the STEM (Science, Technology, Engineering and Mathematics) subjects. The other challenge facing the Department is the dropout rate. General reports indicate that almost only half of the million children that enter Grade 1 sit for matric exams twelve (12) years later – the other half drops out, not because all of them do not have the proficiency to move from one Grade to the next, but because they lack the necessary support required to do so, with stunting as one of the contributing factors. In the 21st Century, should residing in an under-served area deprive learners of good quality education due to shortage of teachers?

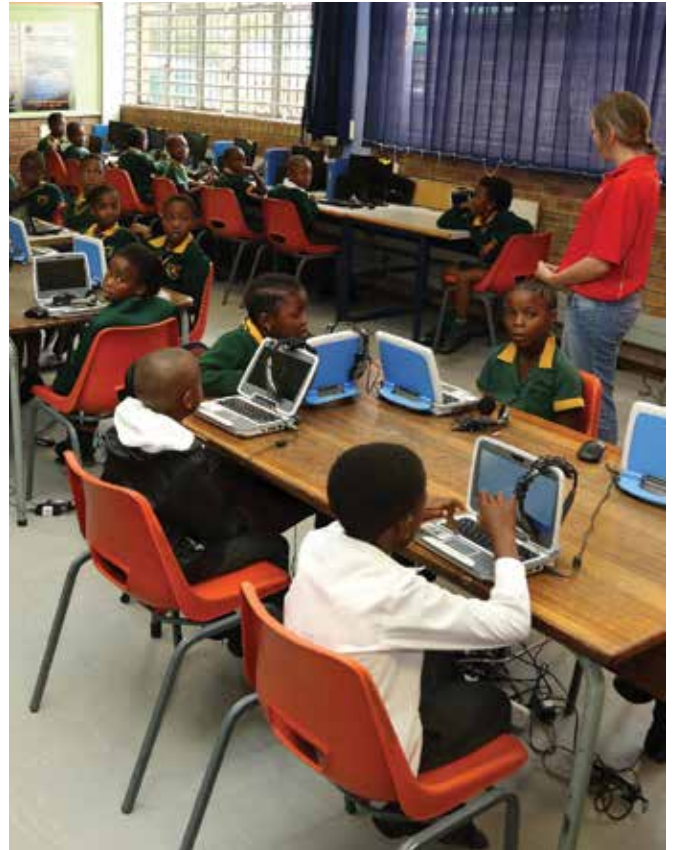
In 2008, the Vodacom Foundation established a Mobile Education Programme in partnership with the Department of Education to address digital literacy for learners, teachers and youth. The elements of the Programme are: connected schools with access to internet, a bursary scheme for best performing matriculants in the STEM subjects, teacher training in Information Communication Technologies (ICTs), ICT training for youth in the Vodacom Youth Academy, and e-learning through the Vodacom e-school for Grade R to Grade 12 learners. The latter is most popular with Grade 11 and 12 learners taking Maths, Science and Accounting subjects.

Since the inception of the Mobile Education Programme, we have connected and maintained 92 teacher centres and over 3000 schools across the country. We have also trained over 200 000 teachers on the use of ICTs in the classroom, and produced over 900 graduates from our 10 Youth Academies. The e-school currently has over half a million registered users, and our bursary programme has benefited 1200 students. What is next?

The purpose of a solid foundation that drives CSI initiatives...

Emerging technologies, such as big data analytics and IoT, can assist to address some of the educational challenges facing government in under-served areas. Big data analytics has predictive capability that can be employed to detect the propensity of learners to drop out of school, and provide teachers with intelligence that could help them pay special attention to these learners and, thereby, minimise the dropout rates. It is not fictional but real – today big data analytics is used successfully to manage customer churn by studying customer and behavioural trends within existing laws and providing real-time data for immediate decision making. With IoT, in 2016, Vodacom launched a virtual classroom pilot project in one of the provinces, in partnership with the Department of Basic Education, to address the shortage of teachers in the STEM subjects. From one school, we are able to anchor delivery of subject material to surrounding schools through video conferencing. Since its launch, the project is going from strength to strength.

Our focus on education going forward is no longer just to increase the quantity of beneficiaries and connected facilities, but to enhance connectivity and course content. There is no denying that the Fourth Industrial Revolution would require augmentation of the traditional skills that have been the focus of our training programmes over the years. The World Economic Forum states that skills relevant for future jobs will be soft skills, such as creativity, empathy, problem solving, critical thinking and people management. Where previously it was thought that some of these attributes were inane and innate abilities, it is becoming clear that these attributes are key and can be taught and acquired through programmes such as coding taught from early childhood. Vodacom has started delivering coding exercises to schools in under-served areas at a small scale and, this year, we are integrating coding into the Youth Academy Programme. The e-school is another programme that will be enhanced to make the platform more interactive – going forward, we plan to introduce private tutors, big data analytics for managing user trends, and incentives for users in certain categories. These new



The Vodacom Foundation empowers the Vuvu Primary School learners in the Eastern Cape with a computer centre.

additions to our Mobile Education Programme will cost Vodacom over R350m in the next five years, a commitment we make to support the Sustainable Development Goals on education and gender equality.

Our view is that the Fourth Industrial Revolution should not cause anxiety but hope. Although matric and post-matric qualifications remain key, this revolution has the potential to leapfrog people with no matric qualifications or post-matric qualifications to functional levels relevant in some of the jobs of the future. Managed effectively, this revolution can be a game changer, not only through ushering amazing transformative technologies, but through possibilities to up-skill and re-skill people. Through our digitalisation strategy launched in 2016 in response to the Fourth Industrial Revolution, our partnership with the Department of Basic Education and other partners is about creating a better future for young people by enhancing our digital literacy programmes in order to contribute to creating the skills of the future. In order to realise our ambition, Vodacom has also introduced monitoring and evaluation to measure the impact of our investments on learner and teacher performance. It is a journey that we will embark on with our partners and the beneficiaries of our programmes.

For more information, visit vodacom.co.za

Connecting for Good.





Innovative financing: Why it's time to change the way we change the world

For decades, the same models of funding were used to effect positive social and environmental impact. Corporates across the continent channel grant funding into projects and programmes that attempt to achieve the same social outcomes that many peer organisations, governments and international donors are working towards, yet each party often works independently. A myriad of silo interventions and an over-reliance on grant funding run the risk of being unsustainable and inefficient. **Natasha Suchecki**, impact investing project manager at the Bertha Centre for Social Innovation & Entrepreneurship, explores how the ecosystem is shifting; with innovative approaches to funding social and environmental impact being developed, tested and scaled – creating new opportunities for corporates to get involved and assume bold positions of leadership in development.

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Innovative financing is not limited to debt, equity or grant funding. It is a flexible framework that tweaks existing financial and funding tools – or, if necessary, creates entirely new ones – with the intention of maximising social and environmental impact.

Channels for corporates to become trailblazers

Corporates can use innovative financing tools in enterprise and supplier development (ESD) funding, corporate social investment (CSI) and Broad-Based Black Economic Empowerment (BBBEE) community trusts.

The 2015 revised BBBEE Codes place greater emphasis on ESD activities, which include interest-free and preferential loans, equity, grants, pro bono services, business development services, training and mentoring. These activities generally focus on job creation and inclusive development through support for enterprises and supply-chain businesses. Since the mission of ESD funding goes beyond financial returns, towards social impact, ESD structures are well placed to test and scale innovative financial structures.

CSI is encouraged through the socioeconomic development (SED) criteria of the BBBEE Codes, which prescribes that companies spend 1% of net profit after tax on social development. Trialogue research has tracked the growth of CSI in South Africa, from R1.5 billion collective spend in 1998, to R9.7 billion in 2018. Although SED is not synonymous with CSI, the strong overlap incentivises corporates to tailor their CSI spend to align with SED and increases the focus on a more strategic approach to community development.

Significant value has also been created through BBBEE community trusts. According to The Empowerment

Endowment report by Intellidex, released in 2017, BBBEE trusts have been endowed with R32 billion of assets as a result of maturing BBBEE deals, with a further R19 billion directed to public benefit causes on the maturity of these deals.

Although CSI and community trust funding is generally required to be channelled to public benefit organisations (PBO), it can still be used to support innovative funding models. For example, CSI or trust funding can be used as the grant or loan element to a PBO, or to support the development of blended finance vehicles or impact bonds. If any return is received it can be reinvested in social initiatives.

Blended finance: A collaborative tool to leverage finance for impact

Blended finance – the strategic use of development and philanthropic funds to mobilise private capital flows – is one of the most relevant and effective financial structures for bringing together different market players to effect social change. Blended finance is a case of the 1 + 1 = 3 principle, combining grant funding, concessionary capital (below market rates) and private sector finance to achieve more together than any single source could achieve alone.

Bringing together different types of capital provides an opportunity for collaboration between funders that have similar mandates, but different levels of

risk tolerance and return expectations. This means that donors, foundations and government can combine resources with investors seeking the same positive outcomes. Grants and philanthropic funding can be used to de-risk investments into high-impact initiatives that would otherwise be perceived as too costly or risky for investors.

There is a strong argument for the use of blended finance for ESD investments. Investment risk is high in early-stage businesses that have limited or no track record, and often need business development and management support, which can be costly for investors. As a result, fund managers tend to support more established and larger businesses that are less likely to default on their loans, leaving early-stage, high-impact potential businesses underserved.

Blended finance is one solution to this challenge. Grant funding can de-risk early-stage investments, making them more attractive and feasible for investors. Three main vehicles for grants within a blended finance structure are technical assistance, risk underwriting and market incentives. Supporting the costs of technical assistance in a blended investment will supplement the capacity of investees and lower origination and transaction costs. Risk underwriting on investments that would otherwise not be undertaken will protect the investor against capital losses and ensure that high-impact investments do not go unfunded. Finally, grant funding can be used to provide market incentives in the form of results-based financing and offtake guarantees contingent on performance, in exchange for upfront financing in new or distressed markets.

The partnership between the Association for Savings and Investment South Africa (ASISA) Fund and USAID's Partnering to Accelerate Entrepreneurship (PACE) Initiative is an example of using blended finance for ESD. Corporate ASISA members provide grant and investment capital into the ASISA Fund, which is managed

by Edge Growth. Edge Growth directs this capital into investments into small, medium and micro-sized enterprises (SMMEs), coupled with business development support to ensure their sustainability. Grant funding from USAID provides Edge Growth with upfront funding needed to source support and deploy capital to SMMEs. The ASISA Fund is thus able to offer tailored business development support to its investees, building their internal capacity and making them scalable and sustainable, while decreasing the risk that they will default on their loans.

Philanthropic funders, such as CSI and community trusts, also have a role to play in providing grant funding to support blended finance structures. For funders who have traditionally focused on direct grants, blended finance offers an opportunity to lead the market, increase the impact per rand and develop an ecosystem approach.

Supporting high-impact enterprises through revenue-participation agreements

Supporting early-stage businesses is widely acknowledged to be an effective way to stimulate economic growth and create jobs. There are a number of investors, incubators, accelerators and government departments working to build this segment of the market in South Africa. However, according to FinFind's 2018 *Inaugural South African SMME Access to Finance Report*, the credit gap for SMMEs is still estimated to be over R86 billion.

Revenue participation or demand dividends are hybrid financial instruments that allow the investor and investee to share the risk and reward of the enterprise more flexibly than with traditional debt or equity. Rather than taking a share of ownership in the business, an investor obtains a right to a percentage share in the revenue or cash flow of the enterprise.

After a 'honeymoon' period to allow early-stage enterprises to begin generating revenues, periodic repayments are made to the investor based on a percentage of revenue or cash flow, up to an agreed-upon multiple of the investment. For early-stage enterprises, particularly social ventures, this arrangement offers more flexibility at pre-revenue stage and does not bind them to loan repayment schedules when cash flows are difficult to predict. Because revenue-participation or demand dividend agreements are not equity investments, they are applicable to social enterprises registered as both for- and non-profits, and circumvent the challenges of finding viable exit potential.

Revenue-participation or demand dividend agreements are another way that ESD funding could be used to support early-stage social ventures. In Belize, Spain, investors provided a \$200 000 investment to an enterprise called Maya Mountain Cacao, which prioritises sustainable growth techniques and assists smallholder farmers with microloans to finance equipment and training. The terms of the loan included a two-year payment holiday, allowing Maya Mountain Cacao to start generating revenue. Following this, repayments are made based on a percentage of free cash flow, until a multiple of the investment is paid off. If the enterprise misses its projections by a huge margin, the agreement is restructured. If it takes off, the loan may be converted and investors have a right to participate in future rounds of funding. ESD funders, who generally have a stronger impact focus and more flexibility in investment returns, are ideally placed to pilot similar financing structures in South Africa.

Guaranteeing social and environmental impact through outcomes-based contracts

Another innovative funding mechanism that offers increased cost-efficiency for corporates is an outcomes-based

contract: an agreement between a funder and service provider whereby payments are contingent on the achievement of pre-agreed, measurable outcomes. The promise inherent in these contracts is that the donor only pays for what works, as opposed to inputs and activities that might produce results. While the concept is attractive in an environment in which significant sums of money seem to be spent on poor social results, it is not without complexities. More work needs to be done to create efficiencies that extract the most value from this methodology.

A well-known application of outcomes-based contracts is impact bonds. An impact bond is an alternate way of paying for an outcomes-based contract, where investors provide capital to underwrite social projects usually funded by tax money and philanthropists. If a project is successful as measured against pre-agreed benchmarks, the investor gets a return on the economic value created for government, and government saves money by only paying for interventions that work.

Impact bonds have shown significant uptake in recent years, with over 100 instruments launched globally, including at least three in Africa. The Bertha Centre has launched one of these impact bonds in South Africa, which is managed by the Department of Social Development. This impact bond will focus on early childhood development, and will work towards meeting developmental outcomes in children aged three to five years, alongside reputable partners and implementers.

The concept of results-based finance, or outcomes-based contracts, offers interesting opportunities for CSI and community trust donations. To date, philanthropic support has played a crucial market-building role. Eight of the 12 development impact bonds with investor information available involved a foundation or philanthropist in an investor role.

The Standard Bank Tutuwa Community Foundation, for example, has invested in Bonds4Jobs – a social impact bond that is addressing the need for social upliftment programmes that create employment. The Standard Bank Tutuwa Community Foundation, Hollard and The Legacy Fund make upfront funding available for Harambee, a non-profit company that sources, matches, trains and places unemployed youth in jobs. When outcomes (such as job placements) are created, the ‘outcomes funders’ (made up of the Gauteng Provincial Government, National Treasury’s Jobs Fund, Yellowwoods and the Allan Gray Orbis Foundation) reimburse the investors for their upfront payment. If the target outcomes are achieved, the investors earn a return on their funding, which

Tutuwa plans to reinvest in other social initiatives. The structure ensures that taxpayer money is only disbursed when actual outcomes are achieved, increasing efficiency of donor and government funding by shifting the risk of non-achievement to investors such as the Tutuwa Community Foundation.


Since outcomes-based contracts tie flows of funding to tangible outcomes, a rigorous monitoring and evaluation framework is imperative from the outset. This framework needs to include coherent measures and verification methods of outcomes, as well as a clear set of baseline data to demonstrate achieved outcomes. With verified data that demonstrates outcomes achieved, outcomes-based contracts are able to monetise impact, focusing on driving funding directly to what works.

Systems thinking to catalyse significant change

Innovative finance for social development requires a shift away from the traditional mindset of discrete, stand-alone interventions, towards an intentional process of creating lasting change through collaboration of players.

Partnerships can be quick wins for corporates, with ESD fund managers with sector-specific expertise offering tested models of allocating ESD funding to impactful enterprises. Since SMME funds operate more efficiently at scale, by investing ESD funding into local fund managers, corporates are increasing the impact of both their own funds and that of the wider market. Phakamani Impact Capital is one such manager that specialises in helping corporates to cost-effectively invest in black-owned enterprises within their supply chains and the communities in which they operate. Through a tested model, Phakamani offers a combination of hands-on business development support and finance to SMMEs particularly focused on the agriculture and mining sectors.

ESD funds aren’t the only way to ensure an ecosystem approach. According to Aspen Network of Development Entrepreneurs South Africa’s entrepreneurial ecosystem map (www.andeglobal.org), there were almost 150 business development service providers supporting entrepreneurs in South Africa in 2017. However, the majority of these (just under 75%) do not provide funding to entrepreneurs in their programmes. There is significant potential for collaboration between ESD funders and these business development service providers, either in offering a lifecycle approach whereby early-stage businesses are incubated until they are investment-ready, or through co-creation of applicable incubation programmes to build corporate supply chains. E-Squared offers end-to-end business support to impact entrepreneurs, from idea to scale up, through both financial and non-financial mechanisms. This lifecycle approach, in collaboration with partners such as the Allan Gray Orbis



A shift to innovative funding approaches would also not be complete for CSI and community trusts without a systems approach. To create tangible, widespread impact, it is imperative that philanthropic funders develop a coherent impact strategy that aligns with their mission.

Foundation and SiMODiSA, ensures that funding is used to provide holistic support across the growth spectrum.

A shift to innovative funding approaches would also not be complete for CSI and community trusts without a systems approach. To create tangible, widespread impact, it is imperative that philanthropic funders develop a coherent impact strategy that aligns with their mission. To achieve this in a sustainable way, grant-makers must engage with the rest of the market and ecosystem to share knowledge and experience, maximise synergies and ensure that there is no duplication of efforts. Based on this ongoing dialogue, a strategy can be developed that speaks to the specific gaps and blockages in current systems, and different financial tools and structures can be used to innovatively address different challenges that all speak to a broader social goal.

The DG Murray Trust (DGMT) is one organisation taking a systems approach. Their strategy tackles challenges to education from multiple angles; starting at early childhood and going all the way through to job creation. The DGMT has created stand-alone institutions under the DGMT umbrella that leverage partnerships and work collaboratively to achieve their mission. For example, Ilifa Labantwana is a South African early childhood development programme developed in collaboration with government. Innovation Edge, another DGMT initiative, invests in unconventional ideas that find solutions to early childhood care and education challenges in under-resourced communities, and brings together multiple players such as the Omidyar Network, the ELMA Foundation and FirstRand Foundation, among others.

JET Education Services is another example of this type of approach. JET works with government, the private sector, international development agencies, other funders and education institutions to address the blockages in education, skills development and the world of work. JET works through a range of

interventions to address challenges from different angles, to ensure a holistic contribution to improved education. They provide resources for early childhood development practitioners, a systemic school improvement model, an e-learning platform for teacher training and development, and a suite of assessments for learners and teachers. These interventions are based on experience in the education sector, combined with rigorous research and engagement with the sector.

Investing for impact

To maximise the ecosystem approach, foundations can also look beyond traditional grants towards impact investing. Internationally, the MacArthur Foundation, one of the US's largest independent foundations, offers best practice on incorporating a systems approach with innovative finance and impact investing. Instead of going the traditional philanthropic route, the foundation makes high impact investments out of their endowment. The MacArthur Foundation focuses on providing catalytic capital – investments that are patient, flexible, risk-tolerant and can take a lower return to deliver valuable services to low income communities. To complement investments, the MacArthur Foundation focuses on collaborations with partners intended to bridge the capital gaps that have been identified globally. In a recent article entitled *Four Lessons from Four Decades of Impact Investing*, they highlight the importance of working with intermediaries to multiply impact, collaborating with partners to reach scale, and combining grants and investments to unlock systems change.

For South African foundations, a similar model of using endowments to invest in impactful initiatives, either in place of or as a complement to grantfunding, would not only have direct impact, but would also leverage other investors and ecosystem players.

The time for innovation is now

With the emergence of novel and successful approaches to creating social good, there has never been a better time for corporates to increase their appetite for innovation in their funding approaches. There are ample opportunities to combine and blend funding pots across common goals, or structure investments in a way that combines finance with support. With multiple channels acting as potential conduits for innovative finance, the time is ripe for corporates to seize the opportunity to position themselves as trailblazers in the innovative finance space. ■



- *A How-To Guide for Blended Finance*: http://www3.weforum.org/docs/WEF_Blended_Finance_How_To_Guide.pdf
- *Innovative Finance in Africa*: http://www.gsb.uct.ac.za/Downloads/InnovativeFinanceAfrica_1.pdf
- *A Knowledge Brief of South Africa's Incubator and Accelerator Landscape*: https://cdn.ymaws.com/www.andeglobal.org/resource/resmgr/research_library/ANDE_SA_Incubator_&Accelerera.pdf
- *Four Lessons from Four Decades of Impact Investing*: <https://www.macfound.org/press/40-years-40-stories/four-lessons-four-decades-impact-investing/>
- *Insights from Blended Finance Investment Vehicles & Facilities*: http://www3.weforum.org/docs/WEF_Blended_Finance_Insights_Investments_Vehicles_Facilities_report_2016.pdf



ECIC Mandate

The Export Credit Insurance Corporation SOC LTD (ECIC) is the official Export credit agency (ECA) of South African government. The corporation derives its mandate from the Export Credit and Foreign Investments Insurance Act (1957, as amended). ECIC operates under the auspices of the DTI and was established in 2001 with a mandate of facilitating and encouraging South African export trade by underwriting bank loans and investments outside South African borders.

PARTNERING WITH COMMUNITIES FOR SOCIO-ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT



Socio-Economic Development Commitment

The ECIC through its commitment to Socio-Economic Development initiatives extends support through partnerships with community based organisations and small business enterprises to provide developmental interventions in key focus areas:

- Education
- Skills Development
- Community Development
- Enterprise Development and
- Supplier Development

If you're planning on exporting to or investing in capital projects beyond our borders, contact ECIC for assistance.

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Risk management in development

In 2018, 56% of non-profit organisations (NPOs) surveyed by Trialogue reported having risk management plans in place, while 53% of companies said that it was a prerequisite for NPOs to access funding. These are relatively low rates, despite the vast number of risks that can hinder effective delivery of social impact in the development sector – including logistical challenges, fraud, reputational risk, corruption, arson, war, political obstacles, procurement issues, natural disasters and more. **Nozuko Nkumanda** of Social Impact Partners shares how social impact organisations and donors can navigate these risks.

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The catastrophic results of not having a risk management plan in place were demonstrated in 2015 when a fire broke out at the central medical warehouse of an NPO operating in an African country, destroying tens of millions of dollars' worth of supplies that were due to be distributed to medical facilities throughout the country. The supplies were paid for, in part, from bilateral and international funding. Not only did the fire delay the deployment of these crucial supplies but, because the facility and stock were not insured, the delivery of vital health services to vulnerable communities was drastically compromised on a national scale.

Risk management refers to the creation of a formal framework that is implemented by an organisation to deal with the risks that it faces, by understanding and determining how to mitigate them.

Risks that cannot be mitigated may be transferred, shifting the financial burden of a risk that has been realised to another party. Transfer of risk, often through insurance, typically comes at a recurring fee.

While the concept of risk management does not change between corporate and development contexts, there are considerable differences in the application of principles. In a corporate environment, in which risk management is an inherent part of day-to-day activities, practices and products have been developed to enable and support risk management processes. These processes are, however, less formalised in the development sector.

The application of risk management practices can also vary quite broadly within the development sector – from developing a risk management plan for an organisation, or specific programmes or projects that the organisation is running, to a plan applicable to the broad social challenges that the organisation is working to address (e.g. climate risk).

Risk management programmes designed for development organisations support and enable a high degree of accountability but, more importantly, protect the ability of such organisations to secure future investments, and allow them to measure the social impact of their operations. As a result, the practice is important for a broad range of social impact organisations; from non-profit to social impact organisations.

The state of risk management in local and global development contexts

Social Impact Partners (SIP) is a partnership between Germany-based Munich Re, one of the largest reinsurance companies in the world, and Hollard, South Africa's largest privately owned insurance group. SIP has found little evidence of understanding or application of risk management within the development sector in South Africa. While some larger entities have secured building and car insurance for their assets, that is often the extent of their risk management. There appears to be little or no consideration extended to the rest of the value chain.

The recent trend among larger NPOs, to appoint risk officers and divisions tasked with implementing internal audit-type functions, is however encouraging. Local organisations affiliated with global bodies have also started to leverage the risk management frameworks and topics that have been developed at a head office level.

The international development sector, while slightly more advanced, is still in a learning phase. As donors are becoming more aware of the need to manage risk in development, large organisations are reconsidering how they view and manage risk, to ensure that they continue to attract funding.

Guidelines for NPOs to implement risk management

Since an organisation cannot prepare for what it does not anticipate, NPOs that want to implement risk management strategies should start by understanding all the risks involved in their work, as well as the financial consequences thereof. Common risks to NPOs include safety, security, fiduciary (e.g. fraud or theft) and reputational issues (e.g. staff behaving inappropriately or the organisation receiving negative media exposure).

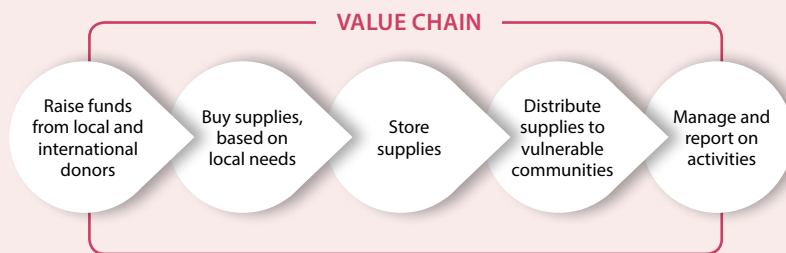
NPOs could start the process by factoring into their project planning phase the time and resources required to understand their risks. From there, NPOs could form think tanks or use rapid problem-solving methods to workshop options to mitigate the identified risks.

Once in place, risk management plans should be reviewed regularly, depending on the size and complexity of the organisation. If a risk management plan includes risk transfer through insurance, the related policies – which are often annually renewable – could guide the regularity of the review.

Donors want to see their implementing partners succeed and increasingly want to be informed about their risk management plans. Prevention is better than cure and demonstrating proactivity when it comes to risk can strengthen an NPO's credibility.

Case study: Risk management planning for an implementing partner focused on distribution of aid goods to vulnerable communities

The value chain of the organisation and its operations needed to be clearly understood.



The value chain was then narrowed down to identify the most immediate risks to the organisation, which included:

- The location: The warehouse was in a non-industrial area in the middle of an open field that was prone to natural fires.
- Temperature control: Supplies, including food, medicine and building material, can be temperature sensitive. Since supplies were not stored according to their temperature requirements, they were deemed unusable.
- Fire hazards: Exposed wiring around cardboard boxes, as well as a lack of fire extinguishers, made the warehouse vulnerable to fire.
- Incorrect storage: Supplies were stacked too high – making it hazardous to reach – and too tightly – making some supplies difficult to find when needed.
- No disposal process: Due to inadequate storage, some supplies expired before they could be distributed. Once expired, there was no clear disposal process in place. This meant that expired supplies were taking up paid-for storage space and could incur an insurance premium, even though they were no longer assets.

If this were a commercial operation, the warehouse would not be allowed to operate in this manner. Guidelines were needed on location and building structure requirements, occupational health and safety standards, and an effective supply chain management process; all underpinned by a commercial insurance policy.

In this case the NPO may have considered itself as an aid organisation only, as opposed to acknowledging the needs of its core operating model as a warehousing and distribution organisation. Total losses could be calculated monetarily, as well as in social impact terms, since fewer people were served due to operational inefficiencies.

Once the organisation had reviewed its value chain and conducted a detailed risk assessment, it needed to interrogate how it could do things differently. The organisation also needed to be clear on the extent to which it would be able to absorb the potential fallout from the risks, if they occurred, and needed to engage the financial services sector to find the most appropriate vehicle for risk transfer.

How CSI can be used to support risk management in development

Even though CSI funds are set aside for social impact, they should not be unguarded. Companies should:

- Request that recipients of funding demonstrate their awareness of organisational and programmatic risks
- Develop their own risk register for the development projects that are being supported and share these findings with recipients, in order to inform risk management strategies
- Give funding recipients the opportunity to share their mitigation strategies
- Consider how they can support the co-development of risk management strategies with the recipients of their funding (e.g. reserving part of the funding, including insurance costs, or providing additional funding to cater for programme-related risk)
- Investigate different mechanisms of releasing funds (e.g. consider incorporating disciplines akin to social impact bonds or other forms of outcomes-based funding).

Risk management may be daunting and seem like a bureaucratic burden that most social impact organisations cannot shoulder. The reality, however, is that social impact organisations manage activities with high risks on a daily basis, yet often neglect risk management that could directly impact their own organisations – such as natural catastrophes or harm inflicted on their personnel.

Social impact organisations are encouraged to leverage and enhance their in-depth developmental knowledge with the risk management resources available in the commercial sector, to sustain their efforts, reassure donors and reach more beneficiaries. ■



Make It Matter: Doing Good is Good Business

Being a socially responsible business has become one of the standard practices of our time. For companies committed to making the world a better place means kudos and an enhanced overall reputation. A powerful statement of what they stand for in an often cynical business world.

Kwambele Social Marketing lives this ethos and all projects the company takes on matter and make a difference in society.

We base our existence and offering on the Africa of 2063, where social movements will build an Africa that is intertwined with inclusive growth and sustainable development. Policies pertaining to doing business responsibly need to be considered as a core and inseparable component of the overall service or product offering and this is the case at Kwambele Social Marketing.

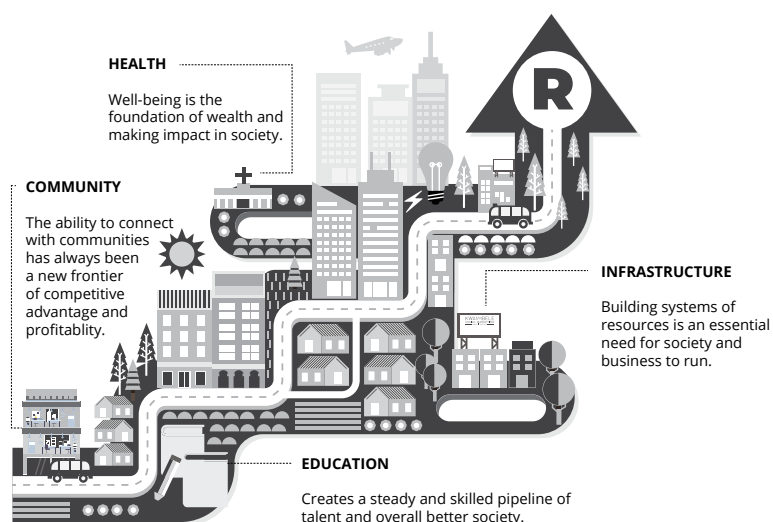
We help organisations put their best foot forward using compelling storytelling around their social responsibility activities—be it through community outreach engagement, activations, documentation research and production, public relations, creative design and layout; we use our services as tools to drive positive change in communities Kwambele and clients work in.

Our extensive experience in the social marketing sector has taught us that not only is it good business to go the extra mile in the efforts to communicate and positively impact the communities in which organisations and businesses operate daily, it adds profound meaning and dimension to business operations. Kwambele Social Marketing's ethos, *Make It Matter*, is built upon a foundation carried through all our interactions and projects. It is the DNA of the work we

do, inspired by our vision, philosophy and the service we offer.

We are strongly committed to establishing and sustaining partnerships with our clients to design a better world that transforms the lives of the communities who help businesses meet their strategic objectives. We are in the business of helping organisations place local developmental issues within a global context—while they handle their clients to build sustainable businesses.

Whether a force for good or an exercise in brand enhancement, what cannot be denied is that responsible business is an integral part of the global business landscape. Allow Kwambele to take your business to greater heights and let us partner with you on your journey to being a responsible business.



"A 2015 study by the Kenexa High Performance Institute in London (a division of Kenexa, a global provider of business solutions for human resources) found that organisations that had a genuine commitment to doing business responsibly substantially outperformed those that did not, **with an average return on assets 19 times higher**. Additionally, the study showed that upliftment-orientated companies had a higher level of employee engagement and provided a markedly better standard of customer service."

Should companies support land claims processes?

Since parliament's passing of the motion on land expropriation in early 2018, media has been abuzz with facts and figures about public versus private land ownership in South Africa. **Calvin Chirwa**, land reform manager at South African Forestry Company Limited (SAFCOL) shares how this state-owned enterprise is supporting land claims processes to ensure the sustainable development of the communities in which it operates.



What is the vision of SAFCOL?

SAFCOL is a state-owned entity that is responsible for managing state forest land in KwaZulu-Natal, Limpopo and Mpumalanga. We report to the Department of Public Enterprises and manage about 187 000 hectares of land, including small stretches of conservation areas. Approximately 57% of this land is under land claims.

We strive to be a leader in the integrated forestry business and to drive sustainable growth through partnerships with communities. Our vision is to grow our business in the forestry value chain and maximise stakeholder value. We are driven by an unwavering commitment to facilitate the sustainable development of communities and to create wealth.

How does SAFCOL partner with the communities in which it operates?

SAFCOL manages 15 plantations and has established community forums at all of them. These forums are attended by community members, municipal councillors, local chiefs and SAFCOL representatives from socioeconomic development, corporate social investment (CSI), enterprise and supplier development, land claims and plantation management. Social compacts are signed by all participants and at these quarterly forums, which aim to address issues of mutual interest to the company and affected communities, we list all the community needs and prioritise the most pressing ones to be addressed.

Our CSI projects assist the communities to participate in the forestry value chain, creating jobs and reducing poverty in affected communities. CSI projects include the building of community computer centres, clinics, early childhood development centres, community centres and classrooms. Through our

enterprise supplier development, we help entrepreneurs to register cooperatives and offer related skills development through adult education, learnerships and internships. We also offer bursaries with a bias towards forestry studies. We currently support four forestry management and environmental studies Masters and three forest science PhD students, as well as 12 students doing various courses in forestry, mechanical engineering, wood science and technology.

How does SAFCOL support the land claims process?

SAFCOL established a land reform division in 2009 which focuses on facilitating land claims and related issues. The division's key role is to establish and maintain a relationship with claimants and affected parties. It also facilitates meetings between SAFCOL, the Land Claims Commission and the communities, at which we identify the bottlenecks in individual claims. We also provide resource support such as mapping expertise and information to speed up the process.

So far, we've transferred 12 000 hectares to a restitution claim in Mpumalanga. There are approved claims for three other properties in Limpopo, but the land has not been transferred yet.

What are the challenges associated with the land claims process?

Our main challenge is that the land claims process is very slow. As a result, some communities become disgruntled and resort to arson, sit-ins at our offices or unlawful occupation of the land. At our quarterly forums, forestry task teams meet with all the relevant stakeholders including the Department of Rural Development, the Land Claims Commission, the Department of Agriculture, Forestry and Fisheries,

municipalities, local chiefs and other community leaders to get community buy-in and assistance to resolve some of these challenges. In response to the threat of arson attacks, for example, we run workshops to educate people about the impact that plantation fires have on them and their communities. Initially, we wanted to call in the police to address the issue, but we realised that continuous engagement with the communities would have greater benefit.

Should companies support land claimants and, if so, how can they do this effectively?

Yes, companies should support claimants and development projects that empower their communities while the claims are being assessed. They need to set up proper community structures and a community liaison office. Following that, they will need a profile of the communities to identify leaders and other relevant stakeholders and then establish a committee that will conduct meetings and maintain the working relationship.

We are working with communities who have been denied opportunities for so long and history has shown that the success of any business cannot happen in isolation of its communities. Therefore, as companies, we need to have strong working relationships with our communities and ensure that they are integrated into the services that are consumed by the business.

CALVIN CHIRWA

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PROSPERITY, PEOPLE AND PLANET...

Sappi Khulisa: Developing enterprise through shared value



When Sappi Khulisa participants plant tree seedlings, they're not just growing trees – they're growing skills, enterprises, communities and a brighter future

At Sappi, we believe sustainable growth must stem from a solid foundation to ensure that profit does not become the exclusive focus of our endeavours. Instead, we balance the need for prosperity by promoting the interests of people and sharing value with them, all the while respecting the planet.

Given that Sappi depends on natural resources such as water and wood fibre, ensuring our renewability as we promote economic and social development makes sound business sense.

Creating shared value

What started out over 35 years ago as a corporate social investment programme for the company, a tree-farming scheme called Project Grow, and involving only three farmers working eight hectares of land, the renamed programme, Sappi Khulisa, is now a successful supplier and entrepreneurship development model contributing towards sustainable livelihoods in rural areas.

Sappi Khulisa was started in KwaZulu-Natal and has grown over the years to cover the area from Manguzi near Kosi Bay in the north to Port Edward in the south and inland as far as Ixopo and Nongoma. More recently the project has also expanded to include community forestry projects and forestry projects handed to land-reform beneficiaries in the Eastern Cape near the towns of Bizana and Lusikisiki.

Last year, more than 4 000 small growers and land reform projects working more than 34 000 ha of land, harvested and delivered timber to Sappi and earned R379 million.

Helping participants to benefit from the Forestry Value Chain

Part of the recent expansion and success of the programme is due to Sappi's renewed focus on a 're-engineering' drive of this long-standing extension programme. This drive is aimed at ensuring that existing and new participants in the programme – growers and contractors – are able to benefit from the Forestry Value Chain. Through renewed and improved collaboration and partnership with Sappi, emphasis is placed on working towards maximising yields.

How it works

Sappi conducts site assessments for communities or individuals who choose to grow trees on their farms, ensuring that planting does not take place in environmentally sensitive areas and that planted areas are economically sustainable. Sappi provides the growers with sponsored seedlings, grown by our nurseries, to ensure that only the best-available genetic material suitable for the specific growing conditions is planted.

As part of the Khulisa supplier development programme, we also provide, based on the size of the project, an interest-free loan, or a loan at subsidised interest, and a guaranteed future market. Advances are paid to growers for work conducted throughout the growing cycle, which is generally eight to 10 years. At harvest time we buy the timber from the growers and pay them a market-related price, and recover the Sappi loan.

Developing our suppliers

With its re-engineering programme Sappi is improving engagement with its growers and contractors: encouraging group meetings and collaboration, using technology to greater benefit to streamline payments and administration, and introducing large-scale knowledge and skills upliftment for contractors and growers through its Khulisa Ulwazi ('Growing Knowledge') training programme. Certain entrepreneurial skills, such as negotiating with contractors and handling money matters, are also offered to assist growers, while all participants are introduced to the concept of ABCD (Asset- Based Community Development), which empowers communities to work towards building an inclusive rural economy with improved livelihoods. Sappi Khulisa opens up the avenues of participation to rural subsistence farmers and communities, in line with the South African Government's strategy of promoting forestry as a means of creating sustainable livelihoods in rural areas.

Sharing value while ensuring sustainability

Sappi Khulisa represents a win-win situation – it promotes shared value, prosperity and skills development among communities while helping to ensure continuity of fibre supply to our mills. In addition, by educating communities about the environmental aspects of tree-farming, we are helping them to conserve the planet's resources.



A man in a dark suit and white shirt is shown in profile, looking out over a city skyline. In the background, a construction crane is visible against a bright sky. The image is partially covered by a large, dark red, semi-transparent geometric shape that serves as a background for the text.

CSI that leaves a lasting legacy

Corporate donors are beginning to shift their focus, from funding a wide range of projects for extended periods, to carefully selecting fewer projects that are closely aligned with their core business and are contributing to systemic social change. According to Trialogue's 2018 corporate social investment (CSI) research, most companies (39%) had one or two flagship projects (pages 40–42). While this more focused approach is leading companies to engage their flagship projects more deeply and to commit their support for longer periods of time, it also means that companies are withdrawing support from less aligned non-profit organisations (NPOs) and projects – many of which have enjoyed long-standing relationships.

If not adequately planned and managed, the corporate withdrawal of support from an NPO or development project can have dire consequences – impacting lives, eroding relationships with communities and damaging corporate reputations. Sound exit strategies are crucial for ensuring that the NPOs and projects from which companies withdraw their support remain sustainable.

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A sound exit strategy can help to reduce an NPO's dependency and strengthen its resilience; facilitate the capacity building of NPO staff and communities; clarify expectations and the extent of responsibilities; and encourage community ownership of projects.

Developing an exit strategy

Ideally, a company should plan its exit from a project or NPO at the outset of its involvement. It should engage project stakeholders, preferably before the start of a project, to promote a shared approach to responsible exiting and, since development work is complex and unpredictable, a reasonable degree of flexibility should be built into the exit process. However, Trialogue's 2018 CSI research found that 28% of companies did not have exit strategies for any of their CSI projects and that more than half of companies (59%) provided 12 months' notice, or less, when exiting projects.

■ See page 42 for more information.

An exit strategy should be clearly and consistently communicated and include time-bound targets, assigned responsibilities and a budget that accounts for the transition costs – such as the upskilling of NPO staff or community members. A well-planned exit strategy should also incorporate aspects of capacity building and knowledge sharing with the NPO and broader community.

If a company does not plan its exit at the outset of its involvement in a project, it should phase its exit so that the affected NPOs and communities have time to prepare and build up alternative sources of funding. An external evaluation can

help to determine gaps that the company could potentially address before exiting.

C-SAFE, in a paper titled *What we know about exit strategies – Practical guidance for developing exit strategies in the field*, recommends asking the following questions to help define and articulate an exit strategy:

1. What are the objectives of the exit strategy?
2. What exit strategy is proposed for the programme or project?
3. What will be the overall criteria for exiting?
4. What exit activities (which are different from programme activities) need to be implemented to meet the exit criteria and to achieve the objectives of the exit strategy?
5. What are the partner and stakeholder responsibilities that should be carried out when the exit takes effect?
6. What are benchmarks for measuring the implementation and results of each exit activity?
7. Who should monitor each benchmark and when should this monitoring take place?
8. What is the budget for the exit strategy?
Be sure to include costs for each exit activity, as well as for monitoring.

Financial exits that inspire transformative support

Just because a company is withdrawing its funding does not mean that it cannot continue to support an NPO in other ways. For example, it could leverage the skills of its employees, through its employee volunteer programme, to provide the NPO with specialised services.

The company can also play a key role in connecting the NPO with alternative potential funders – possibly from other parts of the business or business partners, such as suppliers or customers. Companies can refer NPOs that they can no longer support to other companies that they may be better aligned to. There is great potential in companies collaborating and communicating, towards a shared ecosystem of development.

"When someone comes to you for help and you can't give it, you can refer them to someone who can. From a commercial aspect there are competition laws but from a CSI perspective should we be viewing each other as competitors? If I'm putting a certain amount into education and I hear that a competitor is doing the same, should I then feel aggrieved that they are getting into the same space? From a CSI perspective companies should be happy to have others contribute into those spaces," advised Takalani Netshitenzhe, chief officer of corporate affairs at the Vodacom Foundation, speaking at a Trialogue CSI forum in early 2018.

Apart from finding new funders, companies can also encourage and capacitate NPOs to find other means of sustaining themselves, such as developing social enterprises.

Companies can also facilitate forums and create safe spaces in which NPOs can share information about their projects

In a 2015 paper, titled *Working at the Sharp End of Programme Closure: EveryChild's Responsible Exit Principles*, author Lucy Morris emphasised the importance of language in transition. "We moved from discussing 'exit' plans to 'sustainability' plans in many cases, as it framed the discussion in a more positive way and better described the process from the partner's perspective," said Morris.

and discuss challenges with one another. The NPOs may find that they have commonalities or can provide one another with support. Grouping and leveraging smaller, synergetic projects can have far greater impact than when organisations operate in silos or competition.

Transitioning from corporate support to government partnerships

A 2017 paper produced on behalf of the PPA Partnership Approaches Learning Group, titled *What's it like to be on the receiving end of exit? A partner and country office view* features interviews conducted with representatives of organisations that were exited by large global funders. The former director of Huñuq Mayu – a civil society organisation in Peru that promotes the social, economic and political recognition and empowerment of Andean and Amazonian communities – explained that the organisation was clearly communicated with and given sufficient notice of the funder's exit, allowing time for the organisation to develop and implement its own sustainability plan. As part of this plan, the management of an annual product fair that the organisation had co-organised with the communities over several years was handed over to the district government. This handover,

coupled with targeted advocacy by the organisation, ensured that the fair was incorporated into the district government budget.

In 2012 EveryChild – an international childcare charity – shifted its funding from international partners and country offices to an alliance model in which the policy and advocacy work of the member organisations could be joined for greater leverage. In the paper that explored the implications of this shift in strategy, titled *Working at the Sharp End of Programme Closure: EveryChild's Responsible Exit Principles*, author Lucy Morris shared the organisation's realisation that exits can also inspire creativity, generate new opportunities for staff development, catalyse critical thinking about development and help people to focus on the most sustainable activities, rather than continuing with the status quo. This was exemplified when the EveryChild Malawi office conducted a situational analysis of children living on the street. Rather than the organisation attempting to develop a strategy in response to its findings, the analysis was used to inform a government-led national strategy for children living on the street, which stood a far greater chance of being sustainable.

To mitigate the social and corporate risks involved in withdrawing support from an NPO or project, it is imperative that

CSI practitioners keep their intended impact front of mind and ensure that the implementing partners that they work with share this vision. Internal and external stakeholder interaction, open communication and transparency are critical for smooth transitioning and exiting that does not result in antagonism or conflict.

Key questions to gauge the success of an exit strategy include whether programme or project impact has been sustained, expanded or improved; whether the relevant activities have continued in the same or a modified format; and whether the systems that were developed continue to function effectively. ■



Working at the Sharp End of Programme Closure: EveryChild's Responsible Exit Principles:
www.intrac.org

Exit strategies and sustainability lessons for practitioners:
www.intrac.org

What's it like to be on the receiving end of exit? A partner and country office view: www.bond.org.uk

Entry for exit

While an 'entry for exit' approach to development work has not yet been fully entrenched, NPOs like Splash are leading the thinking about scaling and sustaining developmental interventions – even if it means putting itself out of business.

In 2015 Splash founder, Eric Stowe, wrote about the organisation's mission to become obsolete:

"We understand that Splash, a Seattle-based charity with a \$4 million budget, is simply too small to achieve the global impact we seek, especially trying to do it alone. Rather than focus on growing our organisational footprint, we seek massive scale by developing strategic partnerships with non-governmental organisations, governments and businesses that have the wherewithal – capacity, infrastructure and talent – to develop, sustain and grow our safe water projects in urban areas long after we are gone. In effect, we're teaching others how to solve a problem, one of the pathways to transformative scale."



Within the Corporate Sustainability Department at Discovery we focus on, among other areas, Corporate Social Investment (CSI) and Enterprise and Supplier Development (ESD). We have conceptualised a model that focuses on long-term social value, which we have been implementing in partnership with the City of Johannesburg, the public and private sector, NPOs and other community structures. This model was officially introduced in July 2015.

Our approach to social investment or initiatives, which we term as '**developing social value**' is rooted in the shared-value business theory developed by Professor Michael Porter from Harvard Business School. This theory states that businesses have the opportunity to achieve economic success while solving societal problems. It is about more than philanthropy or financial investment. Essentially, it is about achieving a win-win outcome for businesses, clients and society. Businesses have the resources and more importantly, the responsibility, to move beyond traditional CSI. In this way, businesses not only support sustainable change in communities and in society, but also strengthen their operational environment.



MMC Mpho Phalatse (COJ: Social Development) and Ruth Lewin (Discovery) cut the ribbon



Aerial view – Discovery (COJ) Business Centre

In creating social value, Discovery developed a programme to evolve the way in which we engage with underserved communities. While we acknowledge that funding and financial investment bring about progress within communities, our approach is to be proactive and to tackle specific socio-economic challenges within communities where we work. This approach has given us the opportunity to develop meaningful partnerships with the community and our partners who contribute to much-needed resources.

CSI is important and can be the starting point of greater involvement from businesses. By understanding the broader environment in which a project is implemented, a company can offer enterprise and supplier development and volunteer initiatives that focus strongly on skills sharing and strengthening the community. As a business, we support the work of government and therefore we partnered with the City of Johannesburg (COJ). One such project, where we are starting to see positive outcomes from developing social value, is our community partnership with Orange Farm. The City's deprivation ranking system helped to identify the community needing immediate support. As partners, we agreed to work in this community for five years and to build a sustainable community.

At the start of the project, we conducted an assessment of the specific social challenges to make sure we help address the community's needs. Following this, we identified three focus areas and objectives for each of these areas:

1. **Youth:** Improvement of skills among youth, resulting in improved access to employment.
2. **Health:** Strengthening health systems for improved service delivery at community facilities.
3. **Enterprise and Supplier Development:** Securing economic growth in the community with a main focus to facilitate access to employment for youth through partnerships.

Our community project manager spends two days a week in Orange Farm, to implement the project for Discovery and allow engagement with stakeholders who play a key role in the community's development. Through engagement, we became aware that along with facilitating access to employment, there was a great need to support young entrepreneurs. Our ESD Programme committed over R3.5 million to fund a structure and operations for a business centre over three years. We worked closely with the public and private sector partners to build the next business leaders within Orange Farm. The ultimate goal is for enterprises to become service providers of businesses.

Discovery's involvement with Orange Farm is starting to demonstrate how volunteers can invest their personal intellectual property in a community and how corporates can do CSI as community development, to yield long-term, sustainable results. This is evident with more than 30% of our staff being involved in various initiatives in Orange Farm.

Sustaining interventions

Sustaining our interventions is a key component of all our efforts. For this reason, all structures and systems introduced in the community, include the relevant government stakeholder. This approach to implementation emphasises our commitment to the social value approach, within CSI.

Our belief is that social investment initiatives should be strategic in design. It requires research into the social problem it aims to address, and should prioritise projects that can demonstrate sustainability and measurable impact. Active engagement is another important factor, therefore the CSI team making funding recommendations, should understand the community, its needs; and be able to respond quickly to needs at grassroots level.

www.discovery.co.za

Ruth Lewin: Head of Corporate Sustainability
ruthl@discovery.co.za



NPO DIRECTORY

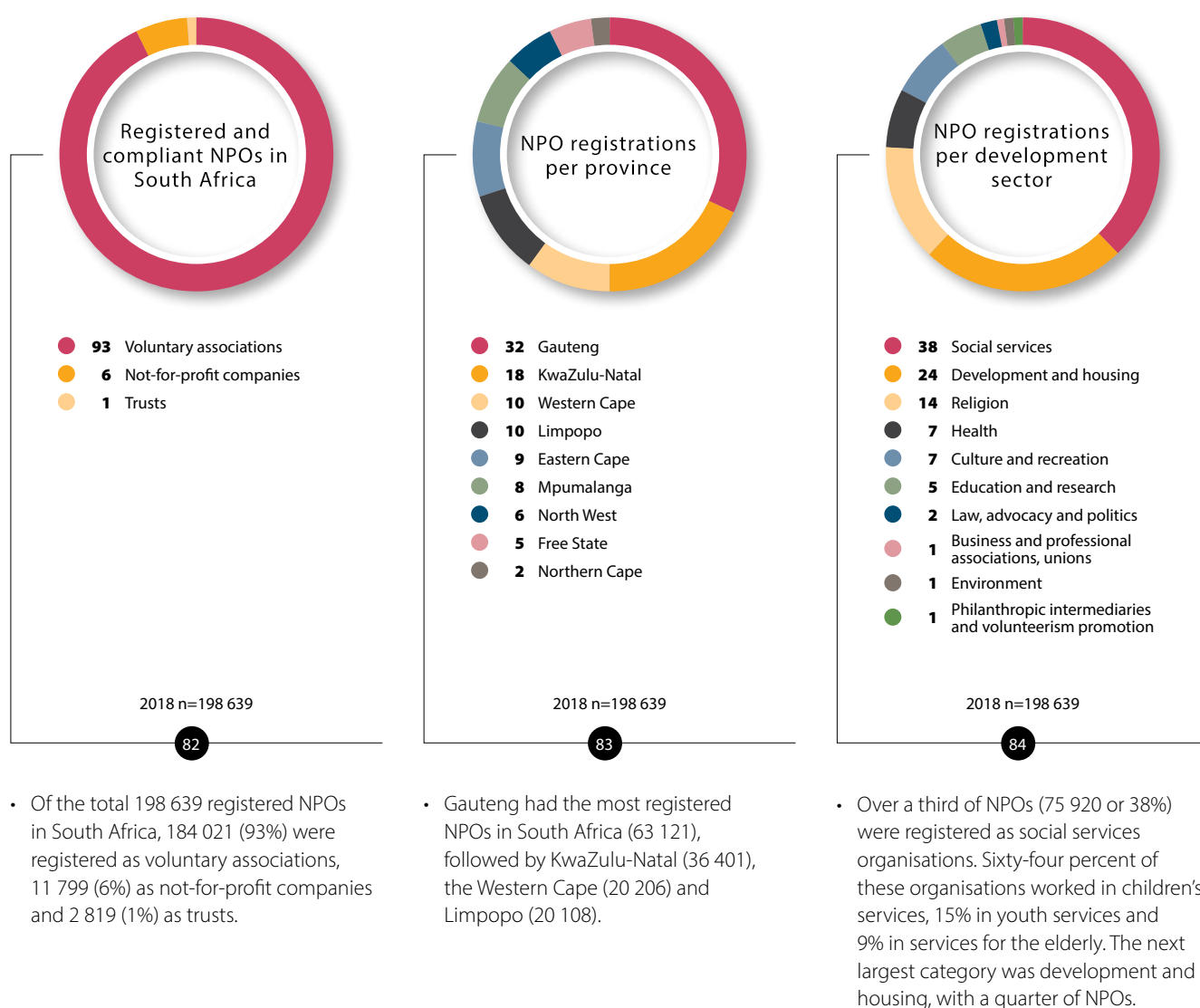
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A guide to funding social
development in South Africa.

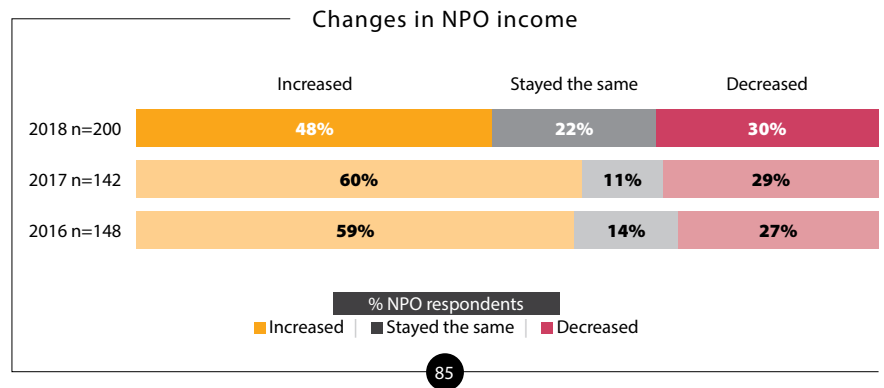
Overview of non-profit organisations in South Africa

Civil society plays a critical role in providing services for the vulnerable, strengthening democracy and holding government and business to account. According to a report by the Department of Social Development (DSD), titled *The 2015/16 State of South African Registered Non-profit Organisations*, there were 153 677 non-profit organisations (NPOs) registered with the DSD in South Africa in 2016, representing an 80% increase over just five years. By September 2018 this number had grown to nearly 200 000.

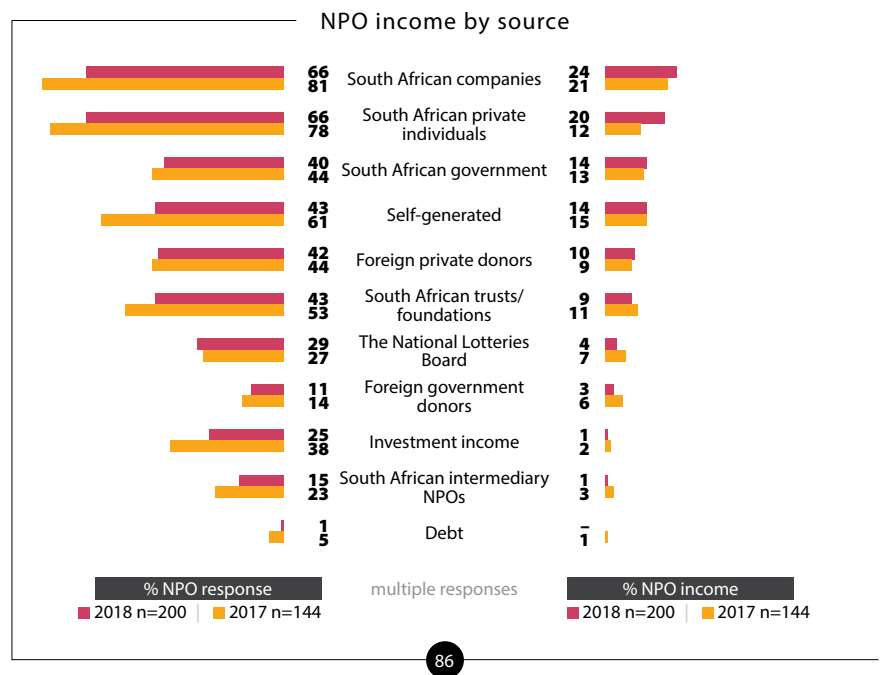


NPO income

- According to Trialogue's annual corporate social investment research, in 2018 less than half (48%) of NPOs reported that their income had increased from the previous year, down from 60% in 2017.



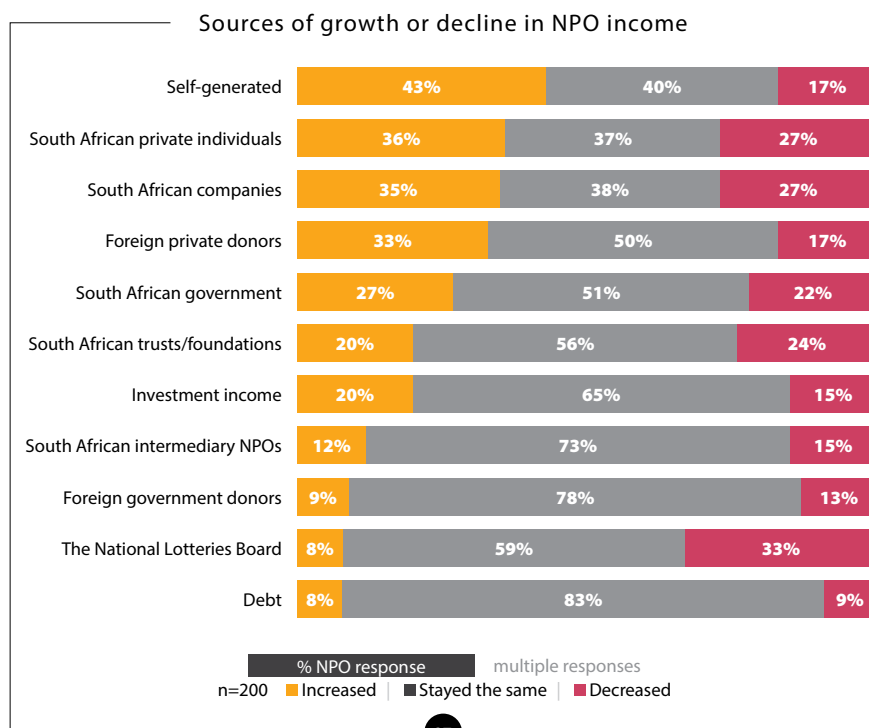
- South African companies remained the largest source of NPO income, with 66% of NPOs receiving corporate funds, which accounted for 24% of total NPO income (up from 21% in 2017).
- The share of NPO income from South African private individuals increased from 12% in 2017 to 20% in 2018. It is however important to note that the year-on-year variations in NPO income may be due to different NPO samples – of the 254 NPOs that participated in the 2018 research, only 17% or 44 organisations also participated in 2017.



Overview of non-profit organisations in South Africa (continued)

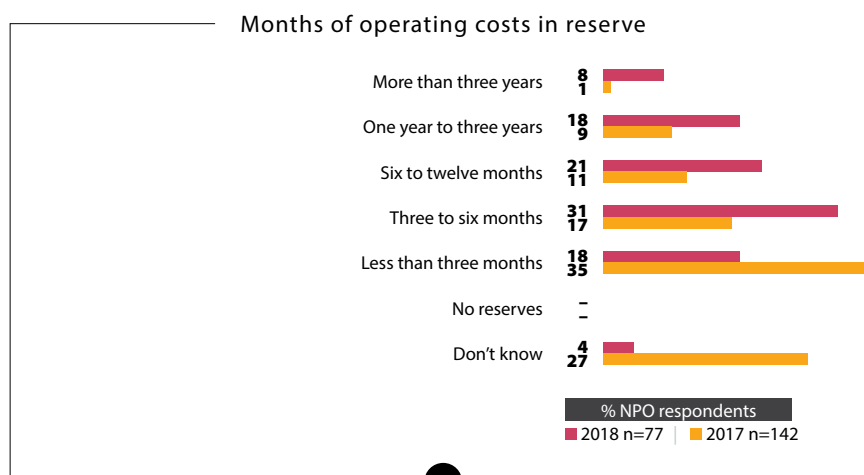
NPO income (continued)

- The biggest sources of NPO income growth were self-generated income and income from South African private individuals and companies.
- The majority of NPOs (83%) received non-cash donations in 2018 (products, services and/or volunteering time), but less than a third included the value of these donations in their stated income.



87

- Worryingly, almost half of NPOs (49%) had six months or less of operating costs in reserve. However, the portion of NPOs with less than three months of reserves reduced significantly. ■



88

The Southern African NGO Network (SANGONeT) was founded in 1987. Over the years SANGONeT has developed into a dynamic civil society organisation (CSO) with a history closely linked to the social and political changes experienced by South Africa during its transition to democracy. Being one of very few non-governmental organisations (NGOs) in Africa involved in the field of information communication technologies (ICTs) and continues to serve civil society with a wide range of ICT products and services.

OUR VISION

SANGONeT's vision is to be a strategic leadership organisation influencing social transformation through ICTs.

We strive to contribute to a just, equitable and prosperous Southern African society, where the impact and contribution of sustainable development programmes are supported by appropriate, relevant and affordable ICT solutions.

MISSION

SANGONeT's mission is to support the effective use of ICTs in Southern African CSOs by providing quality services and initiatives.

We exist for the purpose of facilitating access, sharing information, building capacity, raising awareness, enhancing reach and impact, and linking people and organisations through the use of ICTs in Southern Africa.

In 2017 we hosted the NGOs ICT Summit, under the theme "ICT as a strategic tool towards NGOs sustainability" and the primary objective was to create a platform for sharing practices around sustainability and ICT integration in the NGO work. This was also a celebratory platform where SANGONeT celebrated 30 years within the NGO sector.

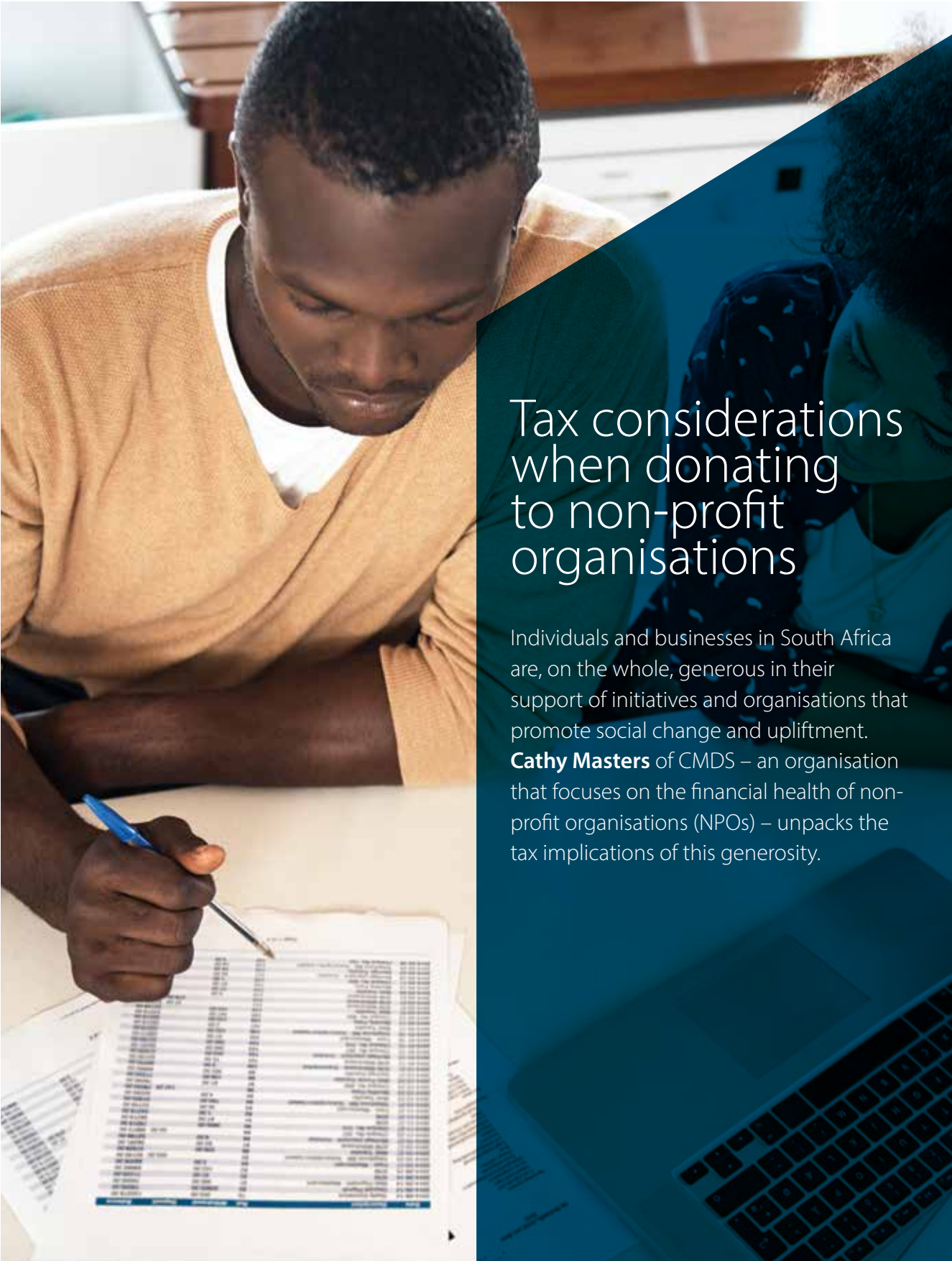


We continue to link Civil Society through our Programmes and Services:

INFORMATION BANK	CIVIL SOCIETY CAPACITY BUILDING	CIVIL SOCIETY INFORMATION CSI UNIT
<ul style="list-style-type: none"> • ICT Conference • Dialogue and Discussions Forums • Research Projects • Prodder Directory 	<ul style="list-style-type: none"> • NGO Technology Day • Cloud Office for NGOs • Social Media Training • Article writing Skills • Website Development and Training 	<ul style="list-style-type: none"> • NGO Pulse Information Portal • NGO Pulse Newsletter

The NGO Pulse Information Portal is SANGONeT's strategic response and the challenges facing the local NGO sector. The portal is the culmination of SANGONeT's years of experience of working on line environment. The Portal's main objective is to develop the institutional capacity of the NGO sector through providing information that supports stronger management practices, among others.

The e-newsletter relies on the reflect contribution from the sector and provides a gateway to the South African NGO sector. The e-newsletter is a platform that serves to communicate with the NGO sector in South and Southern Africa.



Tax considerations when donating to non-profit organisations

Individuals and businesses in South Africa are, on the whole, generous in their support of initiatives and organisations that promote social change and upliftment.

Cathy Masters of CMDS – an organisation that focuses on the financial health of non-profit organisations (NPOs) – unpacks the tax implications of this generosity.

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Legal framework for NPOs

NPOs encapsulate a broad range of interests, from faith-based, community and charity organisations, to social and sports clubs, all contributing to the social fabric of South Africa. The Non-Profit Organisations Act 71 of 1997 (the NPO Act), which regulates standards of accountability, transparency and governance for NPOs, defines an NPO as a trust, company or other association of persons that is established for a public purpose and the income and property of which are not distributable to its members or office-bearers, except as reasonable compensation for services rendered.

A non-profit entity can be established either as a non-profit company, registered with the Companies and Intellectual Property Commission, in terms of the Companies Act 71 of 2008; as a non-profit trust, governed by the Trust Property Control Act 57 of 1988; or – like the majority of non-profits in South Africa – as a voluntary association, by way of a constitution.

Whatever their legal form, NPOs may choose to register with the Department of Social Development (DSD) under the provisions of the NPO Act. This enhances the credibility of the organisation and is also often a prerequisite for opening a bank account and accessing various forms of funding. Once registered with the DSD, NPOs are required to submit annual financial and narrative reports to the NPO Directorate at the DSD.

What is donations tax?

The South African Revenue Service (SARS) defines donations tax as tax payable at a flat rate of 20% on the value of the property (including money) disposed of by donation. Donations exceeding R30 million are taxed at a rate of 25%.

Donations tax is payable by any individual, company or trust that is a South African resident, for tax purposes. It is generally payable to SARS by the donor, by the end of the month following that in which the donation was made. If the donor fails to pay the tax within the set period,

the donor and the donee are jointly and severally liable for the tax.

There are exempt donations listed in Section 56(1) of the Income Tax Act, which include donations, regardless of the amount, to an approved public benefit organisation (PBO). This means that a donation to an NPO that is not also an approved PBO will be subject to donations tax to the extent that the donation exceeds the annual limit of donations of R100 000 for an individual and R10 000 for casual gifts by a company or trust.

What is a PBO?

A PBO is defined in Section 30 of the Income Tax Act as any organisation which is a non-profit company, trust or association of persons, established in South Africa, with the sole or principal objective of carrying out one or more public benefit activities in a non-profit manner, with an altruistic or philanthropic intent, and which is formally approved by the SARS Commissioner. This means that the work of the organisation must be widely accessible and serve the needs, interest and wellbeing of the general public.

The Tax Exemption Unit of SARS considers income tax exemption applications from NPOs in terms of Section 30 of the Income Tax Act. Income tax exemption takes effect once the application has been granted; creating an 'approved' PBO either with or without Section 18A approval, depending on the activities that the organisation undertakes. Once approved, PBOs must operate strictly within the conditions and limits of the approval granted.

Approved PBOs are required to submit annual tax returns to SARS. These returns must be completed based on information contained in the organisation's annual financial statements. If the organisation has Section 18A status, the return must include details of the number of Section 18A receipts issued in the year, together with the total rand value of donations for the receipts issued. SARS has recently begun to compare these amounts to the deductions claimed by donors in their tax returns.

Section 18A approval is granted to organisations that carry out certain public benefits activities, as listed in Part II of the Ninth Schedule: www.sars.gov.za

What is Section 18A approval?

A PBO with Section 18A approval is able to issue Section 18A receipts for donations received that meet certain conditions. Taxpayers that donate cash or property to a PBO with Section 18A status are entitled to deduct such donations from taxable income in that year (up to the value of 10% of the taxpayer's taxable income). This deduction is claimed through the taxpayer's tax return and is based on having received a valid Section 18A receipt from the organisation or, in certain circumstances, from the employee's IRP5 tax certificate that reflects the donations made by the employee.

Which donations do not qualify for Section 18A tax deductibility?

Donors are often surprised to find that donations of time, effort or skill (in the form of free or discounted services) to organisations with Section 18A approval do not qualify under Section 18A. Nor do items donated for fundraising purposes (such as charity auctions, or any amount paid for an item at a charity auction).

In addition, donations toward certain public benefit activities, including the following, do not qualify for Section 18A tax deductibility:

- The promotion of any religion, belief or philosophy
- The advancement, promotion and preservation of arts, culture or customs (including museums, monuments, libraries and galleries)
- The provision of youth leadership and development programmes
- Research and consumer rights

Tax considerations when donating to non-profit organisations (continued)

- The administration, development, coordination and promotion of sport or recreation in which participants take part on a non-professional basis, as a pastime.

A donation for the sole purpose of carrying out any of these activities does not qualify for a Section 18A receipt, even if the PBO itself has Section 18A approval. It is therefore important for a donor that is looking to donate and gain tax benefits to clarify how their donation to an organisation will be used, even if that organisation is itself Section 18A-approved.

A Section 18A receipt also cannot be issued if there is any form of reciprocal benefit to the donor. Such a 'donation' is not bona fide.

When is a donation not bona fide?

A donation is described in the SARS *Basic Guide to Tax-Deductible Donations (Issue 2)* as "a gratuitous disposal by the donor out of liberality or generosity, under which the donee is enriched and the donor impoverished. It is a voluntary gift which is freely given to the donee. There must be no *quid pro quo*, no reciprocal obligations and no personal benefit for the donor. If the donee gives any consideration in exchange it is not a donation."

There are often reciprocal obligations and/or tangible benefits for companies, in exchange for 'donations' to PBOs, that go beyond the Section 18A tax deduction and the 'feel good' element of giving. The most common examples include profiling and marketing (e.g. signage and media coverage), or team building for the donor's staff. If these or any other benefits accrue to the donor or their related parties as a result of a donation then this 'donation' would be disqualified from Section 18A benefits.

In brief

What do donors need to consider from a tax perspective before donating to an organisation?

Find out whether the recipient organisation is an approved PBO and, if tax deductibility of the donation is important, whether it has Section 18A approval. It is also important to clarify how the donation will be spent. Even when donating to a Section 18A-approved organisation, it is still necessary to ensure that the donation will be spent on public benefit activities as set out in *Part II of the Ninth Schedule to the Income Tax Act* and this should be specified in any grant agreement issued in relation to the donation. It is also important to consider whether any benefit is expected in exchange for the donation. If so, it may not be a donation at all, and would therefore not qualify for Section 18A benefits. Once the donation has been made, the donor should also ensure that a valid Section 18A receipt is received for the amount donated.

How can a donor confirm that an organisation is an approved PBO?

Request a copy of a SARS tax exemption letter from the potential recipient organisation.

How can NPOs best position themselves, from a tax perspective, to attract donations from a range of corporate and private donors?

Organisations that are approved PBOs with Section 18A approval are in a better position to attract donations from companies and private donors in South Africa. It is therefore important for organisations to apply for tax exemption and Section 18A approval as soon as they are established and able to meet the requirements for approval. Once approval has been received, it is then important for organisations to remain compliant.

What are the alternatives to CSI donations?

Companies in South Africa often donate to organisations from their corporate social investment budgets. However, companies can also channel resources to NPOs from their marketing, enterprise development or staff development budgets. Spending could take the form of sponsorship of an event, property or activities, or the purchase of services, such as the corporate staff development facilitated by an NPO. While these would not meet the Section 18A requirements, they could still be tax deductible as business expenses, provided that it forms part of the production of income for the business.

NPOs are encouraged to actively explore synergies and potential mutual benefits with companies and, likewise, companies are urged to explore the possibilities of collaboration with NPOs, beyond their CSI budgets. ■



SARS Income Tax Legal Counsel: *Tax Exemption Guide for Public Benefit Organisations in South Africa (Issue 5)*: www.sars.gov.za

SARS Income Tax Legal Counsel: *Basic Guide to Tax-Deductible Donations (Issue 2)*: www.sars.gov.za

Guide to the tax consequences of donating directly to non-profit organisations, by Anna Vayanos, featured in *The Trialogue Funders Guide to Social Development in South Africa (Second edition)*: <https://goo.gl/xN5mtt>



Employee

Volunteering

made easy...

Top Corporate CSI Teams in South Africa use the **forgood** platform to setup, automate and measure their Employee Volunteering Programmes.

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To learn more about running your own employee volunteering platform, call us on (011) 325 2594 or email contact@forgood.co.za



What *do* corporate donors want?

Fundraisers ask it, corporate social investment (CSI) practitioners hear it and, after several years of hosting annual conference sessions in which non-profit organisations (NPOs) pitch their projects to a panel of corporate donors, Trialogue has rounded up some of the most consistent feedback to begin to answer the question on what corporate donors look for in fundraising pitches.

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Dialogue's 2018 research into the state of CSI in South Africa found that 78% of companies' CSI functions proactively identified the projects that they supported; alluding to the increasing ineffectiveness of cold calling and unsolicited emails requesting corporate support. In this competitive funding landscape NPOs must master the art of the 'elevator pitch' and find engaging ways to grab – and keep – the attention of potential donors.

Provide a comprehensive overview and then elaborate

Think of the first three minutes of a pitch as the executive summary of a report. The introduction should include all the most important information: what the organisation does; the specific social problem that it will address; the proposed solution; internal expertise and experience that make the organisation well-suited to the challenge at hand; existing funding; what additional support is needed and how the organisation can add value to the company.

Once this information has been introduced, the rest of the time can be spent elaborating on and discussing the details of implementation; monitoring and evaluation; and the social and business benefits associated with funder support.

Enliven a simple presentation with clear, passionate and accurate information

Presentations should be constituted of graphics, images and minimal, plain text. Albert Einstein said: "If you can't explain it simply, you don't understand it well enough." A corporate donor wants to be sure that an NPO understands the problem that it is attempting to address and one of the best ways to convince them of this is for the NPO to be able to explain the issue accurately, clearly, concisely and free of jargon. Bonus points for NPOs that get corporate donors to share in their passion for the cause.

However, it is also important that NPO representatives know their audience. If a corporate donor has been investing in a development sector for a long time, they probably have a fair understanding of the context and do not need too laboured an explanation thereof. Mthobeli Tengimfene, formerly of the Vodacom Foundation, agrees that contextualisation is important. "Don't start by telling me about poverty in South Africa. You need to pitch it at the right level. Give me the technical information about your project specifically," Angie Maloka of the MTN SA Foundation also highlights the importance of context: "What is the problem that *you* are dealing with in *your* area? What are the needs and how will you assist?"

Avoid overstating an issue or the impact of an organisational response. Provide qualitative and quantitative facts to back up claims and assertions, whether it be related to the size of the need or an NPO team's ability to deliver.

Identify relevant corporate funders and highlight business benefits

More companies are looking to support initiatives that are related to their primary business. "You have to make your pitch innovative and talk to the core of my company," advises Maloka. "I come from MTN, so technology is what we look at. How can we use technology as an enabler to help with cutting costs?"

Dialogue advocates for strategic CSI which has significant developmental impact, as


well as a positive impact on the business, beyond reputation. When pitching for corporate support, NPOs are encouraged to underscore both the social and business value of the potential partnership.

■ *Read more about strategic CSI on pages 70–71.*


Rather than requesting support from a random list of companies, take the time to research, understand and tailor a pitch to the core business and developmental agendas of the companies that are being approached. For example, a healthcare NPO should start by identifying healthcare companies with similar focus areas within the sector and an organisation in need of specific resources should engage companies that manufacture and/or supply them.

Present potential corporate donors with various options for providing support. In addition to financial support, consider requesting a loan, goods or products, services or pro bono support, volunteer time, training or mentorship. Explain how the requested resources can be leveraged for business benefit such as enhancing the company's brand, opening up new markets, empowering corporate staff with new skills or strengthening the company's relationship with community stakeholders.



Also try to learn about potential corporate donors' Broad-Based Black Economic Empowerment (BBBEE) scorecard needs and pre-empt your organisation's ability to provide skills development or enterprise development points, for example.



It is important for representatives from NPOs to value their own organisational insight and social contributions and to understand the power that they hold in the communities that they serve.



Additional elements of a successful pitch

- **Detail the organisation's vision, strategy and leadership and demonstrate established credibility** that ranges from a track record of success, to sound governance, compliance and accountability. Newer NPOs that are still in the process of establishing their track records should provide proof of financial, infrastructural, leadership and capacity competence and sustainability.
- **Specify the ask.** Include a summarised budget in the presentation and a detailed budget breakdown in the supporting documentation. Maloka suggests that NPOs break their funding requirements into phases and explain which aspects of the funding they require most immediately, as well as in the medium and longer term. Tengimfene advises that NPOs demonstrate a degree of financial sustainability that lets the potential corporate donor know that the organisation will not be entirely reliant on their single source of support. Because applicants are unlikely to receive full funding from one organisation, they should specify how much they have already raised, what their target is and what they will attempt to raise from other donors.
- **Prepare an operational and time-bound plan** that details milestones, resources and execution. It is, however, important to include a degree of flexibility in the proposed plan.
- **Profile the partnerships that will strengthen programme delivery.** Chris Bornman, formerly of the Eskom Development Foundation, emphasises the importance of using community resources and engaging with other NPOs working in the same field. "Not only will they have similar or complementary skills that could be of use, but it is critical that you talk to one another to identify your community's needs and work out how you can best support your community and one another."
- **Embed monitoring and evaluation into programming.** Include opportunities for reflecting on and sharing key lessons and reporting back to the communities that will be engaged. Tengimfene explained that because corporate donors are expected by their own companies to account for concrete deliverables, it is important for the NPOs that they support to be able to clearly articulate the outcomes that they are responsible for, while also acknowledging that they are often just one of many responders to a social issue.
- **Consider your organisational and project-specific risk management plans.** Include details of the risks you have identified that may impact the achievement of the project goals, and what you have done to mitigate them. If possible, also include the risks to the funder.
 *Read more about risk management in development on pages 212–214.*
- **Demonstrate commitment to an exit strategy.** A mutually agreed exit strategy will reassure a corporate donor that the NPO is not overly reliant on this source of funding and will remain sustainable once the funding period ends. If the corporate support serves as a financial lifeline, it is particularly important for both parties to plan the exit strategy together, to ensure that the organisation does not collapse when the funding ends.
 *Read more about exit strategies on pages 218–220.*
- **Provide tax and other legal information and documentation**, including registration documents, the founding constitution or trust deed, proof of Section 18A approval, details of any restrictions on organisational activities, if relevant, and the organisation's BBBEE rating and beneficiary category percentages.





Shift power dynamics and shake off the nerves

Angela Abrahams of the Vodacom Foundation says of the imbalanced power dynamics that plague the development sector: "We need to start considering the power that we hold as corporates. This is not perceived power. Economic resources and access to networks and resources are real power. When seeking NPOs to support, corporates need to consider whether the models that they recommend enhance partnerships or encourage competition. The power dynamics between NPOs and corporates impact on development. NPOs also have power within their own communities..."




It is important for representatives from NPOs to value their own organisational insight and social contributions and to understand the power that they hold in the communities that they serve. This perspective will help to shift the skewed power dynamics that can make NPOs feel intimidated by corporate donors. It should also allow NPOs to say no to requests from corporates that diverge from their mission. Similarly, it is important for corporate donors to remember that, while they have the financial resources, they lack the necessary developmental expertise and insight to ensure impactful social development. Recognition of interdependence from both parties can help to evolve donor-recipient relationships into more balanced, collaborative and meaningful partnerships. ■






NPO listings

ORGANISATION	ABRAHAM KRIEL BAMBANANI NPC	
Provincial footprint	Gauteng	
Year formed and annual turnover	1902 / More than R20m	
Executive in charge and contact details	Paul S Momsen info@abrahamkriel.org hdt@abrahamkriel.org 011 839 3058 www.abrahamkriel.org	 AbrahamKrielBambanani  @AbrahamKrielB  AbrahamKrielB
How we are formally registered	NPC, NPO, PBO, PBO with Section 18A approval	
Number of staff and sites we operate	Permanent: 241 Part-time: 0	Volunteers: 0 Sites: 13
Beneficiaries we help per year	Primary: 1 343	Secondary: 0
What we set out to achieve (purpose and objectives)	We care for, protect and empower orphaned and vulnerable children and youth in need. We do this in residential facilities and in community-based care models, which enable these young people to develop to their fullest potential. We strive towards a high standard of childcare and excellence in good governance. We aim to achieve greater sustainability and growth in order to impact on more children and communities.	




ORGANISATION	FOCUS ON ITHEMBA	
Provincial footprint	KwaZulu-Natal	
Year formed and annual turnover	2003 / R5m to R10m	
Executive in charge and contact details	Tayla-Anne Goss info@focusonithemba.org 031 710 1800 www.focusonithemba.org	 Focus on iThemba  focusonithemba
How we are formally registered	NPO, NPC, PBO, PBO with sections 18A approval	
Number of staff and sites we operate	Permanent: 7 Part-time: 2	Volunteers: 4 Sites: 9
Beneficiaries we help per year	Primary: 60	Secondary: 500
What we set out to achieve (purpose and objectives)	We believe in the significance of quality education and investing in KwaZulu-Natal's youth resulting in life-altering positive change. Our focus areas include partnering with local pre-schools to ensure quality Early Childhood Development; our scholarship programme where children from the ECD partner pre-schools are awarded scholarships to attend Waterfall Schools and supporting our foster children who are currently doing their tertiary studies. Partner with us as we grow hearts and minds.	



ORGANISATION	FUNDZA LITERACY TRUST	
Provincial footprint	National	
Year formed and annual turnover	2011 / R2m to R5m	
Executive in charge and contact details	Mignon Hardie info@fundza.co.za 021 709 0688 www.fundza.co.za	 FunDzaLiteracyTrust  @FunDzaClub
How we are formally registered	NPO, PBO with Section 18A approval, Trust	
Number of staff and sites we operate	Permanent: 8 Part-time: 7	Volunteers: 0 Sites: 1
Beneficiaries we help per year	Primary: 250 000	Secondary: 1 000 000+
What we set out to achieve (purpose and objectives)	FunDza believes reading changes lives. It promotes reading for pleasure among SA youth by producing exciting local content that inspires lifelong reading. It uses technology to reach a broad readership via its 'cellphone library', and delivers reading and writing programmes to groups nationwide. FunDza is helping young people develop the literacy skills they need for school, work and life.	




ORGANISATION	IKAMVAYOUTH 	
Provincial footprint	Gauteng, North West, KwaZulu-Natal, Eastern Cape, Western Cape	
Year formed and annual turnover	2003 / More than R20m	
Executive in charge and contact details	Lungile Zakwe 021 820 7444/012 753 2166 www.ikamvayouth.org	
How we are formally registered	VA, NPO, PBO with Section 18A approval	
Number of staff and sites we operate	Permanent: 55 Part-time: 14	Volunteers: 721 Sites: 17
Beneficiaries we help per year	Primary: Over 2 000 learners	Secondary: Over 3 000 learners
What we set out to achieve (purpose and objectives)	IkamvaYouth provides an after-school tutoring programme to high school learners who attend under-resourced township schools in South Africa. IkamvaYouth provides a safe space for learners to be after class ends, where they receive help with their homework and a host of other services and support to ensure they succeed. Since our humble beginnings, we have grown from one branch to more than 15 and support over 5 000 learners per year through our various programmes.	




ORGANISATION	MAHARISHI INSTITUTE 	
Provincial footprint	Gauteng, KwaZulu-Natal	
Year formed and annual turnover	2007 / R30m	
Executive in charge and contact details	Dr Taddy Blecher tblecher@maharishiinstitute.org 082 926 2157 www.maharishiinstitute.org	
How we are formally registered	NPO	
Number of staff and sites we operate	Permanent: 70 Part-time: 8	Volunteers: 5 Sites: 3 plus Ezemvelo
Beneficiaries we help per year	Tertiary: 1 000 to 2 000 (which includes short courses). Secondary and primary level we are working with 650 in schools in KZN.	
What we set out to achieve (purpose and objectives)	We provide tertiary education (a BA degree in business administration) to young people who are not able to afford post-school studies. This is done through a unique combination of a no-interest student loan and an 'earn and learn' programme, which sees the students working while studying to gain experience and repay their loan. Students receive over R1m worth of education. Maharishi Institute makes use of the approach of Consciousness-Based Education.	




ORGANISATION	NEW LEADERS FOUNDATION 	
Provincial footprint	Gauteng, Mpumalanga, Limpopo, North West, Free State, KwaZulu-Natal, Eastern Cape	
Year formed and annual turnover	2009 / More than R20m	
Executive in charge and contact details	Giles Gillett giles@newleaders.co.za 010 590 6100 www.newleaders.co.za	
How we are formally registered	NPO	
Number of staff and sites we operate	Permanent: 56 Part-time: 5	Volunteers: 0 Sites: 9
Beneficiaries we help per year	Primary: SA DBE and provincial departments of education	Secondary: School users and learners
What we set out to achieve (purpose and objectives)	New Leaders Foundation is a not-for-profit company committed to transforming South African education. We believe education and unemployment are two of the greatest challenges of our generation and we are committed to developing empowered leaders in education and in our organisation who will shape a positive future for our children.	




NPO / ORGANISATION	PROTEC 	
Provincial footprint	Gauteng, Mpumalanga, Limpopo, Free State, KwaZulu-Natal, Eastern Cape	
Year formed and annual turnover	1982 / More than R20m	
Executive in charge and contact details	Balan Moodley balan@protec.org.za 011 339 1451 www.protec.org.za	
How we are formally registered	NPO, PBO, PBO with Section 18A approval	
Number of staff and sites we operate	Permanent: 31 Part-time: 165	Volunteers: 5 Sites: 23
Beneficiaries we help per year	Primary: 3 965	Secondary: 1 880
What we set out to achieve (purpose and objectives)	PROTEC was established 36 years ago to help school learners in previously disadvantaged communities to prepare for and successfully embark on careers in maths, sciences, technology and engineering. By implementing holistic educational projects aimed at both learners and teachers country-wide, PROTEC aims to increase the technologically skilled workforce in South Africa and promote lifelong learning.	



ORGANISATION	SMILE FOUNDATION 	
Provincial footprint	Gauteng, Mpumalanga, Limpopo, Free State, Western Cape, Eastern Cape, Northern Cape	
Year formed and annual turnover	2000 / R10m to R15m	
Executive in charge and contact details	Hedley Lewis toni@smilefoundationsa.org 011 325 6480 www.smilefoundationsa.org	
How we are formally registered	NPO	
Number of staff and sites we operate	Permanent: 7 Part-time: 4	Volunteers: 20 Sites: 11
Beneficiaries we help per year	Primary: 300	Secondary: 25
What we set out to achieve (purpose and objectives)	Smile Foundation is a non-profit organisation with a comprehensive healthcare vision for children living with facial conditions. We help children in need of surgery for treatable facial anomalies such as cleft lip, cleft palate, ear and nose conditions, facial paralysis, burn wounds and craniofacial abnormalities. We are dedicated to transforming children's lives in South Africa.	




ORGANISATION	SOUTH AFRICAN NATIONAL ZAKAH FUND (SANZAF) 	
Provincial footprint	Gauteng, KwaZulu-Natal, Northern Cape, Eastern Cape, Western Cape	
Year formed and annual turnover	1974 / More than R20m	
Executive in charge and contact details	Yasmina Francke communications@org.za 021 447 0297 www.sanzaf.org.za	
How we are formally registered	NPO, PBO	
Number of staff and sites we operate	Permanent: 115 Part-time: 0	Volunteers: 1 200 Sites: 29
Beneficiaries we help per year	Primary: 1 193 392	Secondary: 234 400
What we set out to achieve (purpose and objectives)	SANZAF is a faith-based socio-welfare organisation that strives to facilitate the empowerment of needy families by fulfilling our mandate to effect meaningful and sustainable change through development and relief. We are committed to investment in education and socio-economic development through a variety of interventions and undertake projects such as bursary programmes, early childhood development, welfare, soup kitchens, school lunches and food hamper distributions aimed at alleviating hunger.	



ORGANISATION	TEACH A MAN TO FISH 	
Provincial footprint	KwaZulu-Natal, Eastern Cape	
Year formed and annual turnover	2017 / R2m to R5m	
Executive in charge and contact details	Susannah Morcowitz susannah@teachamantofish.org.uk 074 802 1656 www.teachamantofish.org.uk www.schoolenterprisechallenge.org	
How we are formally registered	PBO, NPC	
Number of staff and sites we operate	Permanent: 4 Part-time: 0	Volunteers: 0 Sites: 1
Beneficiaries we help per year	Primary: 1 405	Secondary: 7 025
What we set out to achieve (purpose and objectives)	Teach A Man To Fish tackles the growing youth unemployment challenge. We help learners gain the skills and experience they need to get a decent job or create their own business when they leave school. We guide learners to develop business and livelihood skills through planning and leading a profitable business in school and train teachers to lead students in business and experiential learning year on year.	



ORGANISATION	THANDULWAZI MATHS AND SCIENCE ACADEMY 	
Provincial footprint	Gauteng, Limpopo	
Year formed and annual turnover	2005 / R10m to R15m	
Executive in charge and contact details	Velaphi Gumbi thandulwazi@stithian.com 011 577 6191 www.stithian.com/thandulwazi	
How we are formally registered	NPO, PBO with Section 18A approval, Trust	
Number of staff and sites we operate	Permanent: 4 Part-time: 300	Volunteers: 25 Sites: 3
Beneficiaries we help per year	Primary: 3 000	Secondary: 50 000
What we set out to achieve (purpose and objectives)	Thandulwazi's overall vision is a South Africa where quality education is available to all young South Africans, irrespective of their socio-economic circumstances; delivered by teachers who are professional, innovative and confident in their subject knowledge and skills. Thandulwazi offers STEM-focused programmes for high school students and educators; and a school leadership programme.	



ORGANISATION	THE HOPE FACTORY	
Provincial footprint	Eastern Cape, Gauteng, KwaZulu-Natal	
Year formed and annual turnover	2001 / R2m to R5m	
Executive in charge and contact details	Annie Mc Walter jolandis@thehopefactory.co.za 041 484 7400 www.thehopefactory.co.za	The Hope Factory South Africa @HopefactorySA
How we are formally registered	NPC, PBO with Section 18A approval	
Number of staff and sites we operate	Permanent: 4 Part-time: 3	Volunteers: 0 Sites: 3
Beneficiaries we help per year	Primary: ±100 project dependent	Secondary: 0
What we set out to achieve (purpose and objectives)	Ignite hope for a better future by growing people, developing businesses and impacting communities. The Hope Factory delivers Socio-Economic Development Programmes and Customised Projects for economic transformation. Establishing vital and solid foundations for start-ups that impact targeted communities and industries through entrepreneurial skills development training and mentoring.	



ORGANISATION	THE NATIONAL COUNCIL OF AND FOR PERSONS WITH DISABILITIES (NCPD)	
Provincial footprint	National	
Year formed and annual turnover	1939 / R10m to R15m	
Executive in charge and contact details	Therina Wentzel-du Toit therina@ncpd.org.za 083 255 6854 www.ncpd.org.za	disabilities_sa @The_NCPD disabilities_sa
How we are formally registered	NPO, PBO with Section 18A approval	
Number of staff and sites we operate	Permanent: 39 Part-time: 0	Volunteers: 15 Sites: 2 000
Beneficiaries we help per year	Primary: 17 000	Secondary: 102 000
What we set out to achieve (purpose and objectives)	The NCPD does advocacy work and services leading to an equitable and inclusive society. We do universal design and access audits; work placement and reasonable accommodation; internships; workplace policy and disability equity training; entrepreneurs with disabilities; disability information and children's programmes; referrals of persons with disabilities needing our services; motor vehicle importation rebate, beach permits and parking discs.	







ORGANISATION	CAPE TOWN ENVIRONMENTAL EDUCATION TRUST (CTEET)	
Provincial footprint	Western Cape	
Year formed and annual turnover	2001 / R5m to R10m	
Executive in charge and contact details	Anthony Roberts admin@cteet.co.za 021 444 2794 www.cteet.co.za	Cape Town Environmental Education Trust - CTEET @CTEnviroEd @ChangingLivesThroughNature
How we are formally registered	NPO, PBO, PBO with Section 18A approval, Trust	
Number of staff and sites we operate	Permanent: 88 Part-time: 4	Volunteers: 3 Sites: 11
Beneficiaries we help per year	Primary: 9 500	Secondary: 40 000
What we set out to achieve (purpose and objectives)	Increase the environmental consciousness of local communities and support conservation initiatives by: conducting education programmes for schoolchildren to encourage a passion for nature, support their knowledge and personal growth; running training and development programmes for youth in nature-based career paths; facilitating and managing the directing of funds towards conservation activities.	




ORGANISATION	CURRICULUM DEVELOPMENT PROJECT (CDP) TRUST	
Provincial footprint	National, Botswana, Zambia, Zimbabwe	
Year formed and annual turnover	1989 / R2m to R5m	
Executive in charge and contact details	Deyana Delphine Thomas deyana-cdp@mail.ngo.za 011 624 1025 www.cdptrust.org	cdptrust @cdptrust.org cdptrust
How we are formally registered	NPO, PBO with Section 18A approval, Trust	
Number of staff and sites we operate	Permanent: 5 Part-time: 2	Volunteers: 3 Sites: 1
Beneficiaries we help per year	Primary: 1 276	Secondary: 29 928
What we set out to achieve (purpose and objectives)	CDP is an arts, culture, education and training organisation. We use powerful and innovative arts methodologies for transformation and self-development of teachers, Early Childhood Development (ECD) workers and communities. Using the arts we also provide programmes in support of women survivors of gender-based violence and to organisations that promote women's human rights.	




ORGANISATION	HABITAT FOR HUMANITY SOUTH AFRICA	
Provincial footprint	Gauteng, KwaZulu-Natal, Western Cape	
Year formed and annual turnover	1987 / R0 or loss-making	
Executive in charge and contact details	Mr Patrick Kulati info@habitat.org.za 021 657 5640 www.habitat.org.za	habitatforhumanitysouthafrica @HFHSouthAfrica hfhsouthafrica
How we are formally registered	NPO, NPC	
Number of staff and sites we operate	Permanent: 17 Part-time: 0	Volunteers: 0 Sites: 8
Beneficiaries we help per year	Primary: 396	Secondary: 27 500
What we set out to achieve (purpose and objectives)	Bringing people together to provide decent shelter, improve livelihoods and reduce housing poverty for low-income families. Home construction, repair and renovations through our Volunteer Build Programme. Additional areas of focus include our community development work. Through advocacy we aim to collaborate with sector partners and proactively engage with public and government stakeholders on policies concerning human settlement.	

ORGANISATION	LOVE JUSTICE SOUTH AFRICA	
Provincial footprint	Gauteng, KwaZulu-Natal, Western Cape, Eastern Cape, International	
Year formed and annual turnover	2016 / R2m to R5m	
Executive in charge and contact details	Ryan Sobey ryan@lovejustice.ngo 079 827 9644 www.lovejustice.ngo	LoveJusticeIntl @lovejusticeintl
How we are formally registered	PBO with Section 18A approval, NPC	
Number of staff and sites we operate	Permanent: 12 Part-time: 1	Volunteers: 1 Sites: 4
Beneficiaries we help per year	Primary: 300	Secondary: 5 000
What we set out to achieve (purpose and objectives)	Love Justice South Africa is an organisation fighting the injustice of human trafficking. We do this through transit monitoring and interception, attacking trafficking at the most strategic moment – while it is in the process of occurring and BEFORE exploitation and enslavement. Internationally to date, we have intercepted over 15 000 people from slavery, exploitation, and abuse. We currently have four stations in South Africa.	

NPO/ORGANISATION	PRIMARY SCIENCE PROGRAMME (PSP)	
Provincial footprint	Western Cape, Eastern Cape, Northern Cape	
Year formed and annual turnover	1984 / R5m to R10m	
Executive in charge and contact details	Dr Zorina Dharsey zorina@psp.org.za 021 691 9039 www.psp.org.za  Western-Cape-Primary-Science-Programme-PSP-	
How we are formally registered	NPO, PBO with Section 18A approval	
Number of staff and sites we operate	Permanent: 12 Part-time: 2	Volunteers: 0 Sites: 2
Beneficiaries we help per year	Primary: 2 500	Secondary: 140 000
What we set out to achieve (purpose and objectives)	The Primary Science Programme (PSP) improves the quality of education in South Africa. We train, mentor, coach and support teachers in classrooms to strengthen content and practical teaching and learning of critical subjects: natural sciences and technology, mathematics, language and environment in primary schools, using an enquiry-based approach. Our vision: excellent primary schooling for all South Africa's children.	

ORGANISATION	SOS CHILDREN'S VILLAGES SOUTH AFRICA	
Provincial footprint	Gauteng, Mpumalanga, Limpopo, North West, Free State, KwaZulu-Natal, Eastern Cape and Western Cape	
Year formed and annual turnover	1982 / More than R20m	
Executive in charge and contact details	Stephen Miller info@sos.org.za 011 234 8708 www.sossouthafrica.org.za  SOS Children's Villages South Africa  soscv_sa  SOSCVSA	
How we are formally registered	NPO	
Number of staff and sites we operate	Permanent: 240 Part-time: 5	Volunteers: 18 Sites: 12
Beneficiaries we help per year	Primary: 900	Secondary: 5 000
What we set out to achieve (purpose and objectives)	SOS Children's Villages is an independent, non-governmental organisation that advocates for the rights of South Africa's most marginalised children. We build loving, stable families for children and young people who have lost or are at risk of losing parental care. SOS provides care and support to children through 11 SOS programmes, in eight provinces.	

ORGANISATION	THE UNLIMITED CHILD	
Provincial footprint	Gauteng, Mpumalanga, Limpopo, Free State, KwaZulu-Natal, Western Cape, Eastern Cape, Northern Cape	
Year formed and annual turnover	2009 / R5m to R10m	
Executive in charge and contact details	Candice Potgieter info@theunlimitedchild.org 031 716 9600 www.theunlimitedchild.org  @theunlimitedchild  @theunlimitedchild  @theunlimitedchild	
How we are formally registered	NPO, NPC, PBO with Section 18A approval	
Number of staff and sites we operate	Permanent: 10 Part-time: 15	Volunteers: 0 Sites: 1 840
Beneficiaries we help per year	Primary: 4 993	Secondary: 134 031
What we set out to achieve (purpose and objectives)	The Unlimited Child is a leading Early Childhood Development and skills development non-profit organisation. We ensure that children from birth to six years old have access to high quality and sustainable early childhood education so that they can develop to their full personal and educational potential.	

SECTION27, INCORPORATING THE AIDS LAW PROJECT	
Gauteng, Mpumalanga, Limpopo, Free State, KwaZulu-Natal, Eastern Cape	
2010 / More than R20m	
Mark Heywood kern@section27.org.za (Elinor Kern) 011 356 4100 www.section27.org.za  @SECTION27news  @SECTION27news  SECTION27news	
NPO, NPC, PBO with Section 18A approval	
Permanent: 37 Part-time: 4	Volunteers: 1 Sites: 1
Primary: N/A	Secondary: SA
SECTION27 is a public interest law centre that seeks to achieve substantive equality and social justice. Guided by the principles and values in the Constitution, SECTION27 uses law, advocacy, rights literacy, research and community mobilisation to achieve access to healthcare services and basic education, creating systemic change and ensuring accountability.	

SPCA BLOEMFONTEIN	
Free State	
1914 / R2m to R5m	
Reinet Meyer bloemfontein@spca.co.za 051 447 3801 www.bloemfontein@spca.co.za  Bloemfontein SPCA  @BloemSpca	
NPO, PBO, PBO with Section 18A approval	
Permanent: 14 Part-time: 5	Volunteers: 10 Sites: 1
Primary: 10 000	Secondary: 0
The Bloemfontein SPCA's main purpose is to prevent cruelty to animals. Education forms a big part of our activities. We strive to ensure that every animal owner is well informed about how to care for their animals. It is a fact that where there are people, there are animals, and we want to make the lives of animals better. A healthy animal means a healthy owner. We believe in education and job creation.	

VASTFONTEIN COMMUNITY TRANSFORMATION	
Gauteng	
1998 / R5m to R10m	
Mathilda Fourie mathilda@vastfontein.co.za 082 903 2894 www.vastfontein.co.za  vastfontein community transformation	
NPO, NPC, PBO, PBO with Section 18A approval	
Permanent: 54 Part-time: 4	Volunteers: 8 Sites: 3
Primary: 800	Secondary: 3 000
We aim to transform our community through education, training, development and mentoring programmes, using a holistic approach addressing physical, emotional, economical and social issues. Through our secondary school and skills development programmes, we focus on agriculture, ICT and small business development for unemployed youth, assisting them to find employment or start their own business. We raise leaders, release potential and realise dreams.	

National Health Insurance

Dr Katlego Mothudi, managing director of the Board of Healthcare Funders of Southern Africa (BHF), explains how the National Health Insurance (NHI) will impact the provision of public and private healthcare in South Africa.



What does the BHF aim to achieve?

The BHF is a voluntary member association for medical aid schemes in Southern African Development Countries. It aims to ensure the sustainability of the healthcare sector by enabling medical schemes, care organisations and administrators to provide accessible and quality healthcare to their members.

What is the relationship between the public and private healthcare sectors in South Africa?

Private medical aid schemes cover around 16% of the population but the amount of money that flows through that system is equivalent to what flows through the public healthcare system. When we speak about quality of care, we often focus on the public sector. Meanwhile, the private sector has perceived good quality but there are no common standards or parameters used to measure this.

Overall, there are various forms of collaboration between the private and public sectors. Sometimes they are formalised partnerships in which the government purchases services from the private sector, or vice versa, and sometimes collaborations are forced, based on the available services. For the bulk of medical conditions, scheme members can depend on the private sector, but there are services that may not be covered, often due to depleted funds, which patients end up obtaining from the public sector.

Please provide an overview of the NHI.

The implementation of the NHI – which is the funding mechanism for universal healthcare – will be complemented by human resources optimisation, improved management of public facilities and hospital revitalisation. The publications on the NHI have had various iterations which have been open to public commentary. Its implementation entails three phases.

The first is the pilot phase (2012–2017) articulated as ‘health systems strengthening’. Ten districts were identified in the first phase of the pilot to test certain systems. One such test was to contract private general practitioners to provide services in public institutions for daily sessions and be remunerated for it.

The second phase (2018–2021) involves structuring the NHI framework. It entails establishing the governance structures, including the CEO, board and advisory committees to be put in place by the minister of health, and formulation of the contracting arrangements. This is detailed in the proposed NHI Bill which defines the population that is going to be covered by the fund, as well as articulating their rights. It goes into some detail about the payment mechanisms and how service providers will be contracted. Certain services have been identified to benefit vulnerable groups (including women, children and the indigent). An amount of R4.2 billion was allocated to the NHI during this year’s budget speech for use over the medium term. A portion will be used to provide priority services such as mental healthcare, care for high-risk pregnancies and screening at school level. Tendering processes are underway for the administration of these services for the public sector.

Phase three (2022–2026) will entail rolling out more services. By then the fund structures are expected to be operational. Contracting will favour strategic purchasing over tender processes. The former prioritises merit and will contract all those service providers and facilities who meet the requirements, whether public or private.

What are BHF’s views on the NHI?

We’ve always been supportive of universal health coverage and we embrace the principles on which the NHI is based. The governance structure must be sound and transparent and there needs to be

guaranteed access to low-cost healthcare services with good quality outcomes.

There must also be involvement from all stakeholders. The private sector, for example, has a very deep brain trust which the government can tap into.

How will the NHI impact private medical schemes?

Initially, the NHI will not provide a full spectrum of medical services to all beneficiaries, which means that medical schemes would still be required to provide cover.

Not everyone will be able to register as a beneficiary of the NHI, only citizens, naturalised citizens, as well as people with refugee status. Tourists or people on short-term working contracts who would not be allowed to register could be covered by medical aid schemes.

A user will be required to nominate a primary care practitioner to coordinate their healthcare. Currently, with medical aid schemes, a patient can go directly to a specialist or hospital without referral. Under the NHI, if an individual wants to access care outside of those protocols, they’d need to contribute to a scheme to purchase the service that is not covered.

With universal healthcare coverage (UHC), what role will CSI play in the healthcare sector?

The reach of UHC is limited by the amount of funding available. CSI projects often focus on gaps in service provision, especially for vulnerable communities. This will continue to play a role in healthcare regardless of the stage and extent of UHC implementation.

DR KATLEGO MOTHUDI

Managing director of the Board of Healthcare Funders of Southern Africa
 katlegom@bhfglobal.com
 www.bhfglobal.com



Never, never and never again shall

it be that this beautiful land will experience the death of a child, brought upon by the harsh reality of their circumstances.

Never, never and never again shall

it be that children will lack even the most basic of needs, including safety and shelter.

Never, never and never again shall

it be that a child is not vaccinated, simply because health workers cannot reach the village they were born in.

Never, never and never again shall

it be that a mother will have to bury her children due to the lack of resources that help in the child's development.

And never, never and never again shall

it be that children will grow up without hope and the opportunity to get an education that will help them shape the future of this very nation.

We cherish the ideal of a healthy society, in which the rights of all children are taken into consideration, where every child's life matters to every one of us. It's an ideal which we hope to live for and to achieve in our lifetime. And it should never be an ideal for which any child should have to die.

- By the future of South Africa



The best way to continue his legacy, is by supporting those he loved the most. Help us vaccinate children at no cost to you. Open a Nedbank Children's Affinity account and move your salary to help us #VaxTheNation. Visit nedbank.co.za today.

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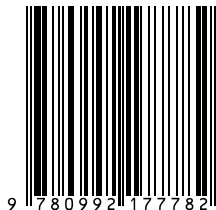
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