



# INTEGRATED SDG INSIGHTS SOUTH AFRICA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



# HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

# SDG MOMENT: SOUTH AFRICA

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

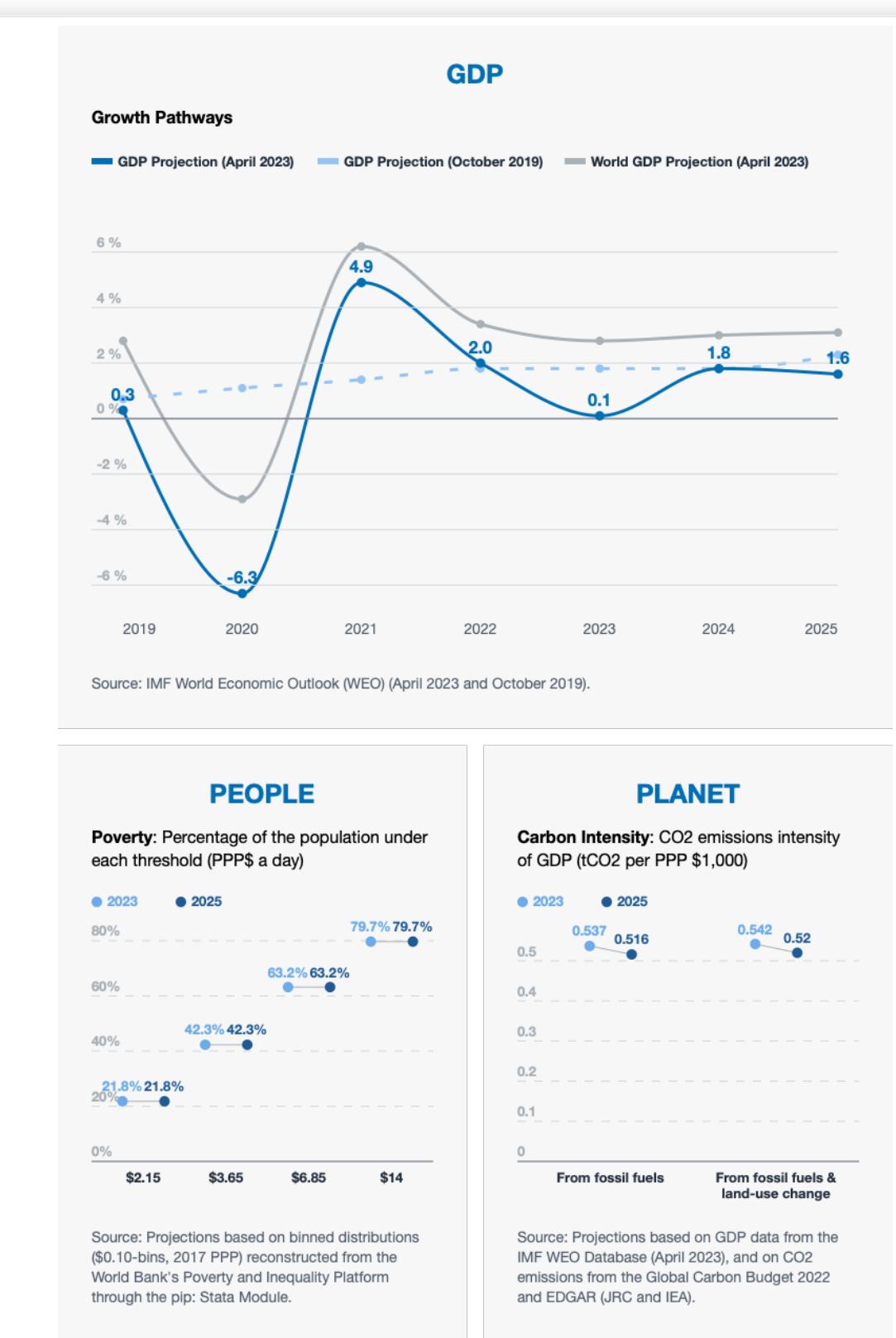
South Africa is one of 65 economies out of 186 globally that are in mitigation mode in 2023 and projected to remain that way in 2024 and 2025.<sup>1</sup> In a context of high unemployment, elevated poverty rates and high income inequality, the policy space for achieving the SDGs is limited. This puts pressure on mitigating the impact of economic downturns on the most vulnerable households, informal workers, youth and micro-, small- and medium-sized enterprises.

South Africa's slow economic growth cycle will continue to be dependent on carbon emissions as the country's carbon emissions intensity of GDP is only decreasing at an annual rate of 2% under current conditions.<sup>2</sup> This pace of economic growth, on the other hand, is not expected to exert a noticeable effect on lowering the incidence of poverty, leaving it virtually unchanged in the short-term. Hence, significant distributional challenges remain to overcome this stagnation of progress.

Moving forward, the urgency to address climate change, reduce inequalities, poverty and unemployment has never been greater. Guided by SDGs and the national priorities, South Africa should continue to innovate, adapt, and scale up efforts to accelerate progress towards a more equitable, inclusive, and sustainable future.

<sup>1</sup> The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

<sup>2</sup> CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



# SDG TRENDS

Understanding how South Africa performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



*Trends in detail:*

<https://data.undp.org/sdg-push-diagnostic/ZAF/sdg-trends>

# SDG PRIORITIES

South Africa's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



*Key documents analyzed:*

1. [Revised Medium Term Strategic Framework 2019-2024](#)
2. [National Development Plan 2030](#)
3. [UN Sustainable Development Cooperation Framework](#)
4. [Common Country Analysis](#)
5. [Voluntary National Review 2019](#)
6. [Economic Reconstruction and Recovery Plan 2020](#)

*Priorities in detail:*

<https://data.undp.org/sdg-push-diagnostic/ZAF/current-priorities>

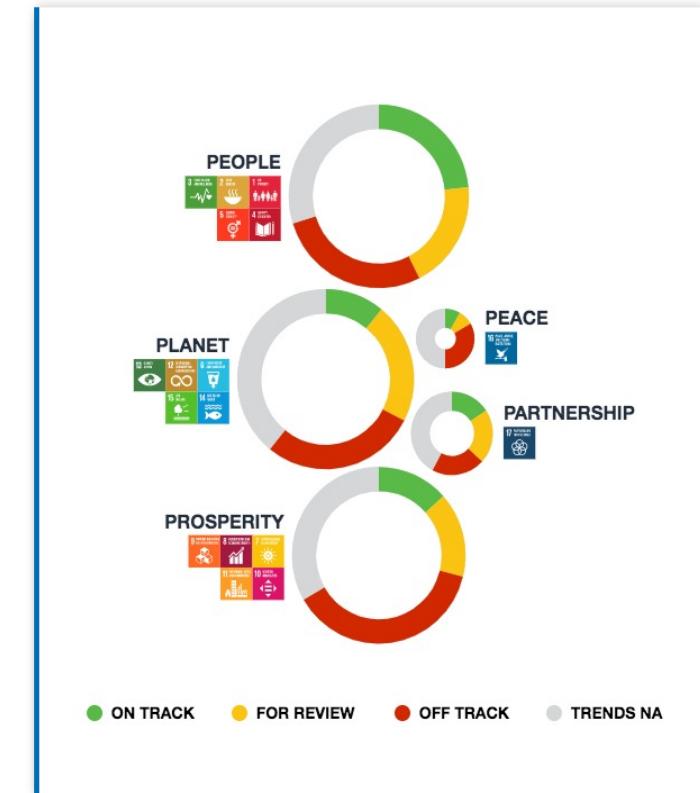
# SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help South Africa to achieve the 2030 Agenda for Sustainable Development and navigate trade-offs.

Based on a global framework for interlinkages, South Africa's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for South Africa:

- Target 5.4: Value unpaid care and promote shared domestic responsibilities
- Target 7.2: Increase global percentage of renewable energy
- Target 8.2: Diversify, innovate and upgrade for economic productivity
- Target 10.1: Reduce income inequalities
- Target 16.6: Develop effective, accountable and transparent institutions



## ACCELERATION PATHWAYS



# SDG INTERLINKAGES

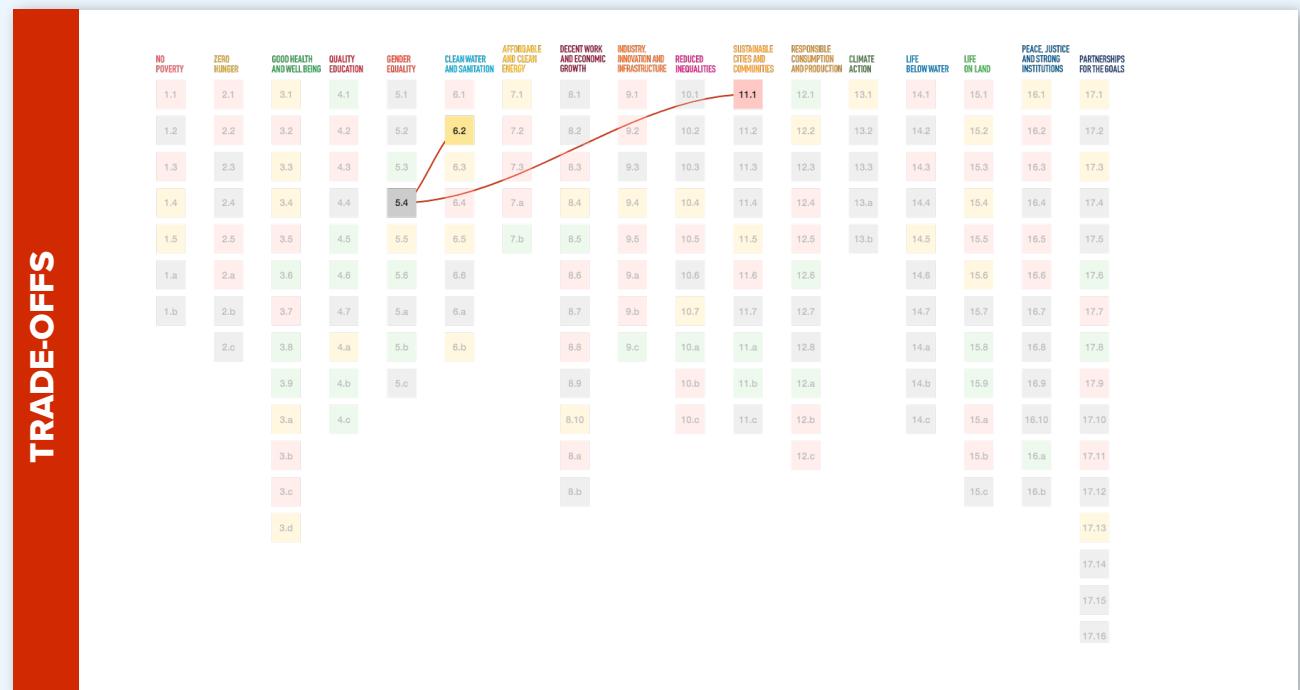
**5.4: Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family, as nationally appropriate**

In South Africa, household production was valued at 27.3% of GDP in 2010, of which almost three-quarters was contributed by females, while the cohorts aged 18 to 39 years accounted for almost 57% of the total (Oosthuizen, 2018) Furthermore, women experience higher poverty levels than men, and poverty is particularly prevalent among individuals living in female-headed households, disproportionately surpassing their population share.

To address this, it is essential to prioritize improved educational and economic opportunities and to implement focused efforts to eliminate gender inequality. South Africa's National Development Plan emphasizes the need for integrated approaches to promote gender equality and to create greater opportunities, especially for young people.

Furthermore, leveraging the potential of the digital can empower women by enabling them to succeed in the future of work, access essential digital services, including those for education and health care, and increase their civic and political engagement.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/ZAF/synergies-and-tradeoffs>

# SDG INTERLINKAGES

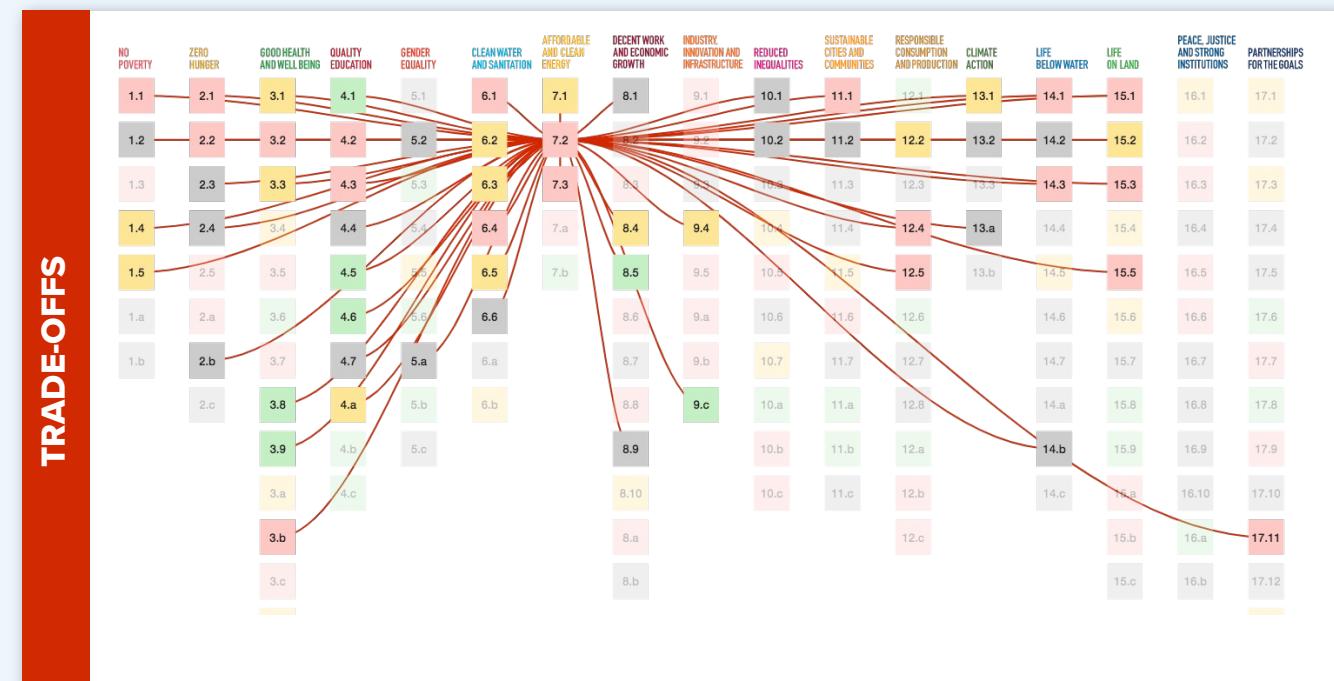
## 7.2: Increase substantially the share of renewable energy in the global energy mix

Access to reliable and secure energy is crucial for meaningful progress to take place in South Africa. The persistent issue of electricity load shedding highlights the need for short-term and medium-term strategies. However, a long-term focus on significantly increasing the share of renewable energy is essential. This would result in greater electricity availability, reduced business disruptions, environmental protection and decreased inequality.

South Africa has established a comprehensive Just Energy Transition Strategy aimed at transitioning to a low-carbon economy while fostering economic growth and social justice. The strategy encompasses various elements, such as renewable energy, energy efficiency, a just transition, green jobs, energy access and energy security.

When undertaking these investments, it is vital to incorporate safeguards to ensure that the bottom 40% of the population is not left behind. This emphasizes the importance of inclusive approaches that consider the needs and welfare of all segments of society.

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Explore the interlinkages at:

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# SDG INTERLINKAGES

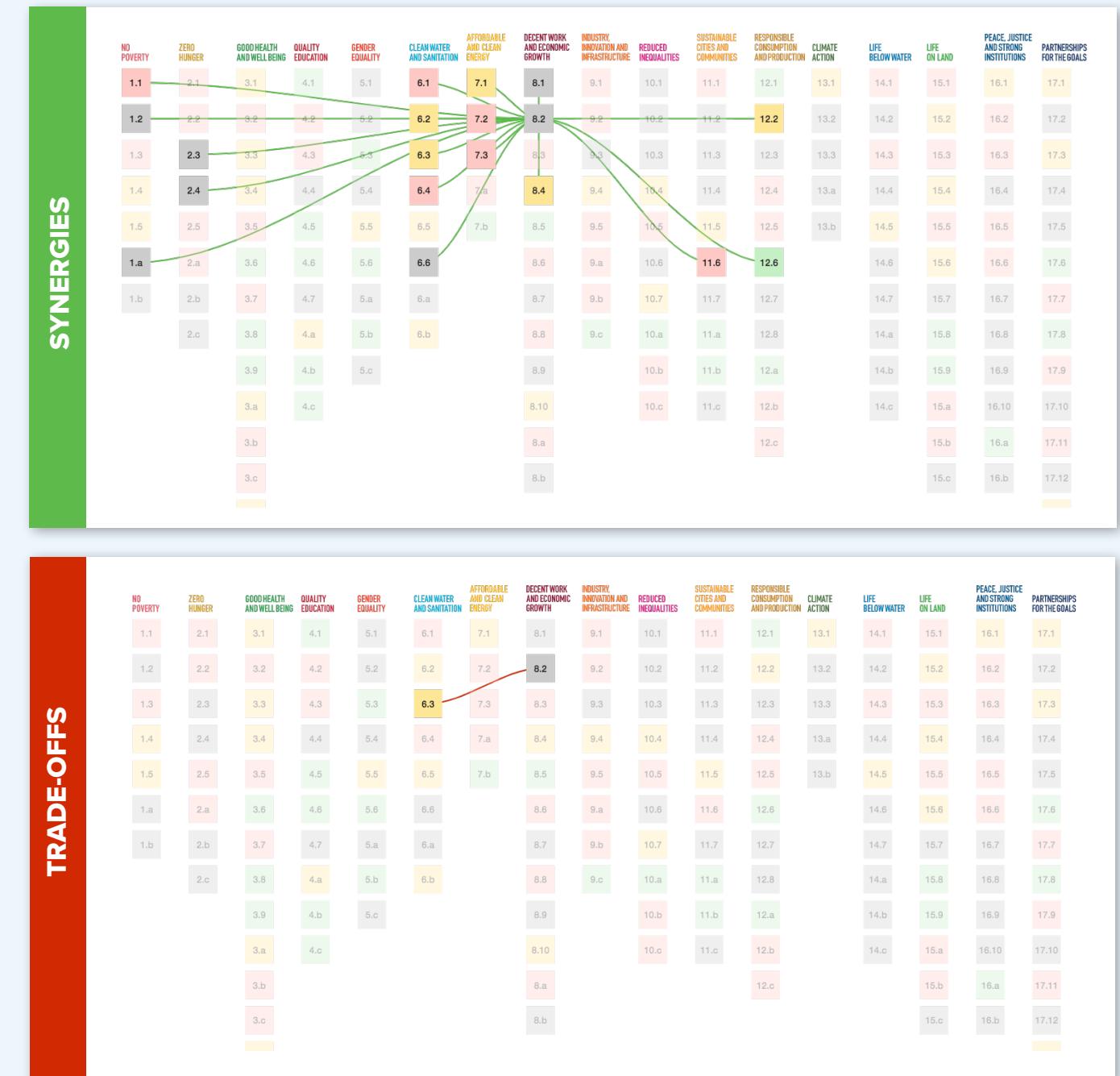
**8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors**

South Africa faces a challenge of having a low skills base due to inadequate and mismatched skills. The economy predominantly favours high-skilled jobs, with agriculture playing a minor role in economic output.

To promote sustained, inclusive and sustainable economic growth, it is critical to prioritize the development of a skilled workforce and create opportunities for full and productive employment that provides decent work for all.

Achieving the nexus between water (SDG 6), energy (SDG 7) and food (SDG 2) requires a focus on economic productivity and innovation. It is essential to navigate the complexities of these interrelated sectors while ensuring policy implementation addresses competing interests and safeguards ecosystem integrity.

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# SDG INTERLINKAGES

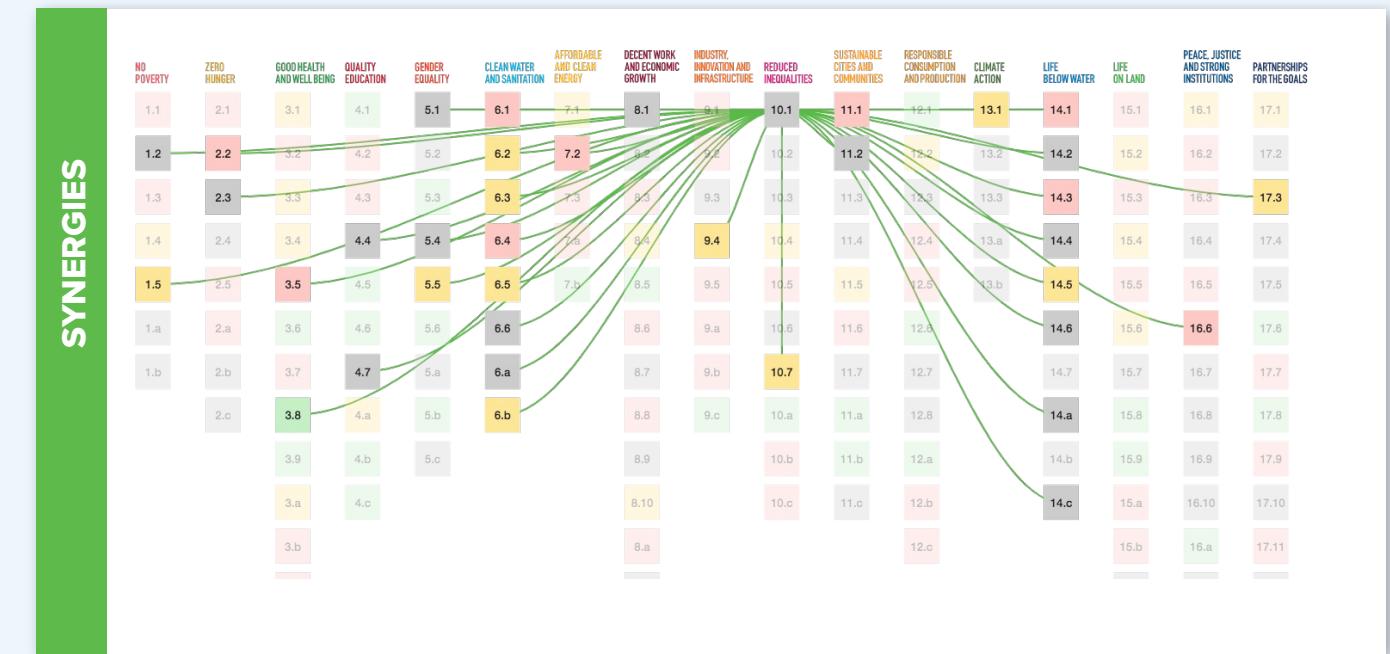
**10.1: Progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average**

South Africa is one of the most unequal countries in the world, with a significant disparity in income distribution. The wealthiest 10% of the population earns over half of the total income, while the bottom 40% receives a mere 4% (World Bank).

To address this inequality and foster inclusive economic growth and social development, South Africa could address underlying structural issues. Initiatives, such as ongoing land reforms, re-evaluation of social grants and enhancing skill development, may prove instrumental. Implementing these measures could yield multiple benefits for other SDGs, including hunger, education and health outcomes.

These interventions, if sustainably designed, would not only protect the environment but also enhance government responsiveness.

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# SDG INTERLINKAGES

## 16.6: Develop effective, accountable and transparent institutions at all levels

According to a report by STATS SA, based on the Governance, Public Safety and Justice Survey (GPSJS) 2019/20, less than half of South Africans aged 16 years and older expressed trust in local governments (47.9%).

South Africa's primary challenge lies in addressing poverty and inequality. Improving living standards necessitates a multifaceted approach that includes increasing employment opportunities, boosting incomes through productivity growth, the provision of a social safety net, and fostering a strong connection between capabilities, opportunities and employment for improved social and living conditions.

Crucially, effective leadership, a "professionalized" public service, an engaged citizenry and an effective government play vital roles in driving development within a socially cohesive environment.



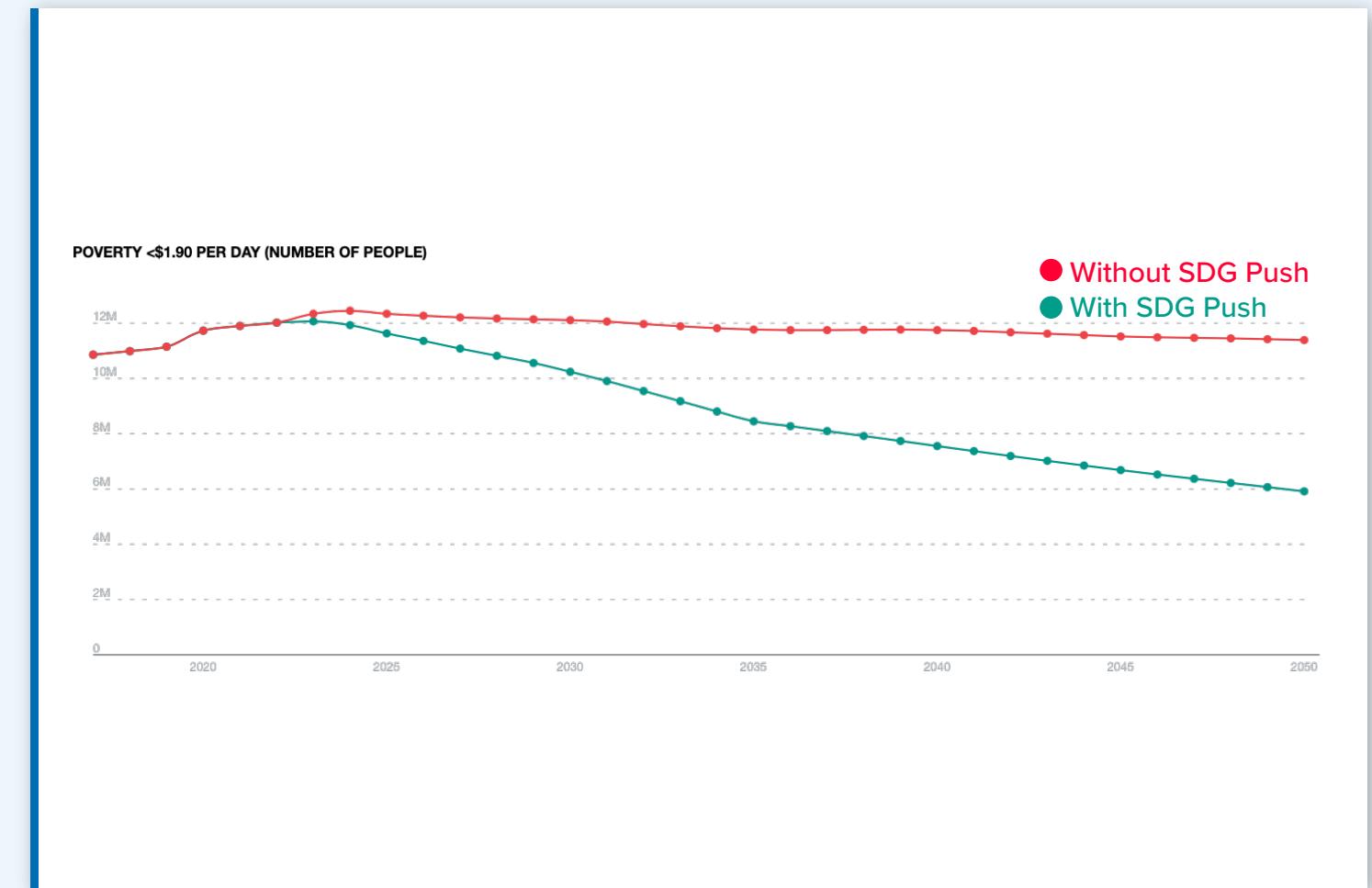
# FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators using ‘International Futures,’ a systems model designed to explore interactions across development systems.

Incorporating ‘SDG Push’ accelerators into development interventions in South Africa can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	12 million	11 million
With the SDG Push	10 million	5.9 million



**Explore SDG Futures Scenarios at:**

<https://data.undp.org/sdg-push-diagnostic/ZAF/future-scenarios>

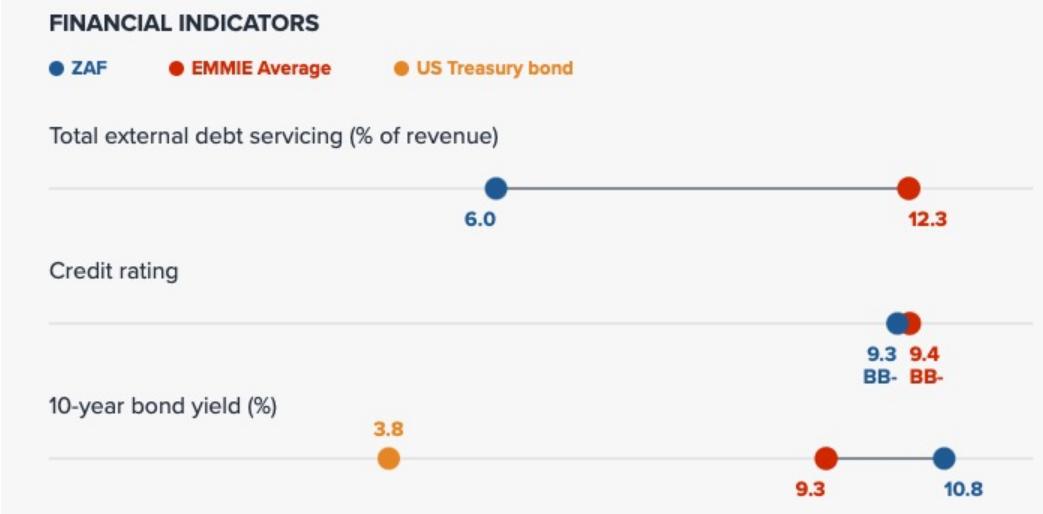
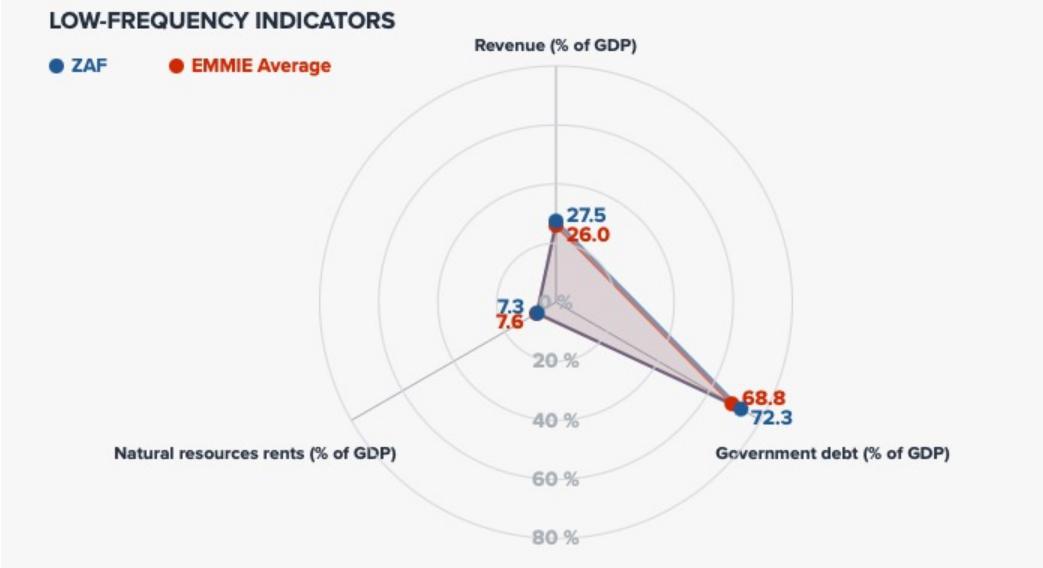
# FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram on the right shows low-frequency data points related to tax revenue, debt and natural resource rents as a percentage of GDP. The financial indicator graph shows higher frequency data on external debt servicing relative to revenue, along with the sovereign credit rating and the 10-year bond yield.

South Africa's government debt is projected to reach 72.3% of GDP in 2023, surpassing the emerging market and middle-income economies (EMMIE) group by 3.5 percentage points (pp). Revenue as a percentage of GDP stands at 27.5%, slightly above the EMMIE group's 26%.

Compared to other countries, South Africa relies less on external financing, as reflected by a lower expected external debt servicing relative to revenue of 6.1% for 2023. However, the country faces financial headwinds. Its credit rating has been downgraded several times since the global pandemic and is currently categorized as 'non-investment' grade level. This is reflected in the country's high bond yield of 10.8%, surpassing the EMMIE average by 1.5 pp and exceeding a 10-Year US Treasury bond by 7.1 pp.



**Notes:** External debt covers public and publicly guaranteed debt. The EMMIE average of 10-year bond yield (%) only includes 30 countries which reported data for that indicator. The credit rating shows the numerical average of S&P's, Moody's, and FITCH's ratings, expressed in S&P's scale in brackets.

**Sources:** WDI (natural resources rents, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), worldgovernmentbonds.com and Haver Analytics (yields as of 8 June 2023), S&P, Moody's and FITCH (credit ratings, data from 2023).

# SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Considering the financial limitations and fiscal constraints experienced by South Africa, the potential methods for funding the investments resulting from the identified interlinkages are the mechanisms outlined in the SDG Stimulus:

- Tax and revenue reform
- Increasing the efficiency of government expenditure
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance

## United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



# METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



## SDG MOMENT

### Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

### Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO<sub>2</sub> emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



## TRENDS & PRIORITIES

### Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

### Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



## INTERLINKAGES

### Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

### Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



## FINANCE & STIMULUS

### Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

### Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).