

Guide to Investing in Education

Unlocking the economic power of education.
Where investment, innovation and impact meet.



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We extend a sincere appreciation to the Western Cape Education Department (WCED), DG Murray Trust and Blue Orchard Consulting for their collaborative efforts in data collection and analysis. Their expertise, research, and commitment to advancing education in the Western Cape have provided invaluable insights that help shaped this resource.

UNLOCKING THE ECONOMIC POWER OF EDUCATION

The Western Cape is one of South Africa's fastest-growing regions - a hub of economic opportunity and innovation. With over 1.3 million learners already enrolled and an estimated 120,000 more expected to enter the school system by 2030, the demand for quality education infrastructure and services is outpacing available resources. There is an urgent need for sustainable and scalable investment solutions by the private sector to meet the needs of both learners and the economy.

Edu Invest, powered by Wesgro in partnership with the Western Cape Education Department (WCED), was established to respond to this challenge with bold intention. As a catalytic public-private project, Edu Invest positions education as an economic development priority. It aims to boost private sector investment, corporate social investment (CSI), and philanthropic funding to expand quality education, unlock innovation, and create new pathways for learners across the province - particularly in underserved communities.



As Wesgro CEO Wrenelle Stander explains,

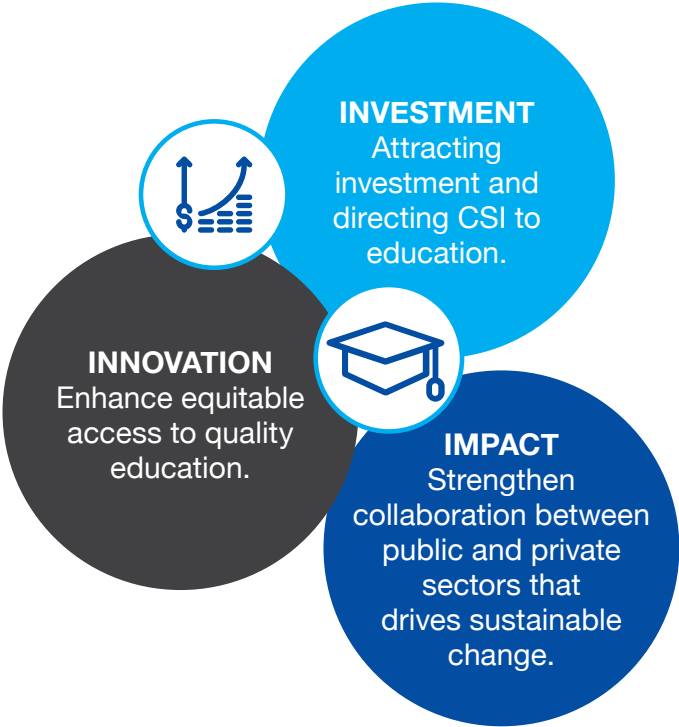
"Education is fundamental to a thriving economy, driving innovation and societal progress. In the Western Cape, it is imperative to cultivate a skilled workforce that sustains economic growth. While the government has made significant strides, there are still critical gaps which require support from the private sector."

At its core, Edu Invest is about building the foundation for **inclusive and sustainable economic growth**, improved learning outcomes, and a competitive future workforce. This is aligned to the Western Cape Government's Growth for Jobs Strategy, which recognises education and skills development as critical enablers of productivity, entrepreneurship, and innovation across the province's key sectors.

With a robust investment pipeline, the majority of which is geared towards new, affordable school development the case for collaboration has never been stronger. Yet, many businesses and investors still lack the roadmap needed to engage effectively with the education sector, with uncertainty regarding where the biggest impact can be made, how to effectively align CSI with provincial priorities and what models have proven to be successful often proving to be barriers to investment momentum.

This is the purpose of Edu Invest's **Guide to Investing in Education**.

This is a practical resource for business leaders, funders, and decision-makers who want to move beyond intent and into action. It presents a clear picture of the province's education needs and investment gaps, offers case studies of successful public-private partnerships, unpacks the regulatory and operational landscape, and outlines tangible opportunities for collaboration. The guide also responds to a critical market need.



Western Cape Minister of Education, David Maynier, echoes this:

"The role of public-private partnerships cannot be overstated. Working in partnership with government, the agility, expertise, and resources of the private sector will make a lasting contribution to improving learning outcomes and expanding access to education. Together, we can provide quality education to every learner in our province."

Whether you are an investor, funder or innovator, the opportunity is clear:
by investing in education today, we are securing the talent, productivity and prosperity of tomorrow.

Let this guide be your starting point.

SECTION 1

JOURNEY TOWARDS QUALITY EDUCATION



FACT

Poised to experience the second-highest migration growth in South Africa over the next 3 years resulting in additional demand for quality education in the Western Cape.



ACT

Direct investment and funding towards education imperatives. Edu Invest, powered by Wesgro, will facilitate investment in education and support you throughout this venture.



IMPACT

Return on investment beyond financial gain. Sustainable and transformative impact driving social change, economic growth, job creation and workforce development.

Demand for Quality Education

The Western Cape is home to one of South Africa's most effective education systems, with high enrollment rates and strong academic performance. However, challenges remain, particularly in terms of ensuring that all learners have equal access to quality education.

While public education receives a sizeable portion of the provincial budget, the private sector is increasingly investing in areas like EdTech and early childhood development (ECD). Still, ensuring equitable access to quality education is an ongoing challenge that demands sustained investment and innovative solutions, particularly as the population of the Western Cape grows, increasing the demand for more educational resources.

The Western Cape has become a leader in South Africa's education system, consistently outperforming other provinces in academic achievement and institutional quality. With its strong infrastructure and forward-thinking education policies, the region stands as a beacon of educational excellence. However, there are challenges that present significant opportunities for growth and investment in the region.

Learning levels are fragile and susceptible to shocks.

Progress in International Reading Literacy Study (PIRLS) results clearly confirm that the pandemic wiped out years of gains and put the futures of our youngest learners at serious risk.

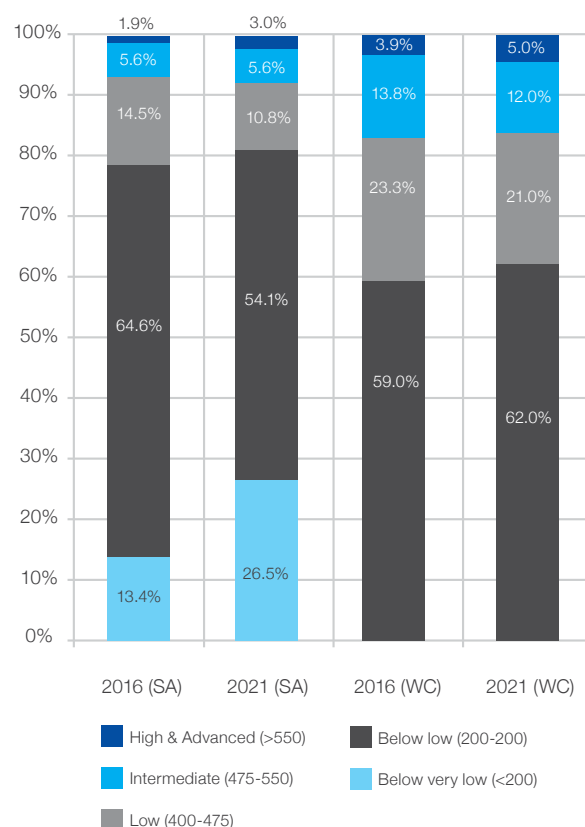


Figure 1: 2021 PIRLS results

As of 2022, the Western Cape boasts the highest literacy and numeracy rates in the country. According to the PIRLS, the province leads the way with improved early-grade literacy outcomes, surpassing the national average. At the secondary level, the Western Cape has consistently achieved high matriculation pass rates, reaching **86.6% in 2024**.¹

Yet, there are considerable disparities in resource allocation between urban and rural schools, along with gaps in infrastructure, especially in underserved areas. For example, around 16,897 schools in South Africa still lack internet access, and many schools struggle with inadequate sanitation and overcrowded classrooms.² These infrastructure deficits, combined with ongoing socioeconomic inequalities, create valuable opportunities for investment to support under-resourced schools and enhance overall education quality.

One of the most promising sectors for investment is **education technology (EdTech)**. Cape Town is already home to over **52% of the country's EdTech companies**, making it a hub for educational innovation. The **EdTech market in South Africa is expected to reach \$1.52 billion by 2026**, driven by growing demand for online learning and hybrid education models. Private investors have the opportunity to support these innovations, particularly in low-income schools where digital access can dramatically enhance learning outcomes.

Early childhood development (ECD) is another critical area with significant investment potential. Access to quality ECD services remains limited in the Western Cape, particularly in rural and disadvantaged communities. In South Africa, **only 35% of children aged 0-4 are enrolled in early learning programmes**³, highlighting a significant gap that targeted investments in ECD infrastructure, teacher training, and curriculum development could help address.

The Western Cape boasts some of the country's top-performing public schools, consistently delivering exceptional matric results. In 2024, all districts achieved pass rates above 80%—a milestone last reached in 2016. However, this success drives demand for quality education, placing strain on the system. With 17,000 learners migrating annually, aging infrastructure, and a high school-to-primary school ratio of 1:3, the province faces significant challenges. A learner-to-teacher ratio of 35:1 further highlights the need for investment. These pressures present a unique opportunity for the private sector to support schools, enhance learning outcomes, and create pathways for success beyond the classroom.

Furthermore, the Western Cape's tertiary education sector is another area of opportunity. Home to two of Africa's top universities— the University of Cape Town (UCT) and Stellenbosch University— the province is globally recognised for its academic excellence and research. However, the demand for tertiary education continues to exceed supply, creating opportunities for investors to establish private institutions and support existing ones.

In addition, there is a growing need for Technical and Vocational Education and Training (TVET) colleges, which are vital in providing the workforce with practical skills that align with industry needs.

The Western Cape's education sector offers unique investment opportunities, including high-impact areas like EdTech, ECD, and tertiary education. With a supportive government framework, Edu Invest and strong public-private partnerships, the region is an attractive destination for investors seeking both financial returns and social impact.



¹ PIRLS 2021, n.d.

² Profile on Education in South Africa SA EdTech Overview, n.d.

³ Oppenheimer Memorial Trust Chapter 4 | Basic Education, n.d.

SECTION 1 JOURNEY TOWARDS QUALITY EDUCATION

Investment Ready with Attractive Returns



INNOVATION HUB:

The Western Cape is a hub for innovation on the African continent, with leading EdTech Ecosystems headquartered in the region.



EXPANDING QUALITY EDUCATION:

Dedicated to expanding access to quality education with over R29 billion invested in the region.



WORLD-CLASS EDUCATION:

Home to excellent higher education institutions including 4 world-class universities, 2 globally recognised business schools, more than 10 research councils, and over 20 public and private coding schools within a 50 km radius.



MODERN INFRASTRUCTURE:

Constructing modern schools through the WCED Rapid School Build programme to improve the learning environment for all learners.

The Western Cape's economy thrives on diversity, with key sectors such as finance, technology and business services, tourism, and agri-processing. These industries hinge on a skilled and adaptable workforce, making investment in education imperative for closing the skills gap and fostering local talent.

Education is a powerful engine for job creation and moreover, education fuels entrepreneurship and innovation. The rise of EdTech in the Western Cape is revolutionising how learning occurs, opening new pathways for student success and providing businesses with advanced training tools. Supporting EdTech initiatives not only leads to improved educational achievements but also drives job creation within this burgeoning sector. Early investors stand to gain substantially.

The long-term return on investment (ROI) in education is compelling. Research (Refer to Section 3) shows that **every Rand invested yields significant economic returns**, particularly when focused on critical areas such as teacher training, infrastructure, and educational technology. These investments translate into improved literacy and numeracy, higher graduation rates, and a workforce adept at navigating the challenges of a modern economy.

For businesses, investing in education is not merely an act of corporate social responsibility; it is a strategic move to secure a capable future workforce. The leaders, entrepreneurs, and innovators of tomorrow are in today's classrooms. By supporting their education, businesses can ensure a pipeline of skilled talent poised to drive future success. Furthermore, investing within local communities fosters a more stable, equitable, and prosperous environment that benefits all.

A robust education system significantly boosts the region's productivity and competitiveness. It is vital for economic diversification and reducing youth unemployment. By providing the youth with the skills and knowledge they need to thrive, we can dramatically lower unemployment rates and stimulate sustainable economic growth.

High-Impact ROI Opportunity

Education investment strengthens communities, unlocks business growth, and boosts your impact.

1. BEE Scorecard Recognition

- Enterprise Development (ED) – Up to 25 points for investing in Black-owned education businesses.
- Socio-Economic Development (SED) – Earn 5 points by supporting education initiatives benefiting Black communities.
- Boost BEE compliance while driving real social impact.

2. Align with Global Goals²

Investing in education contributes to key UN Sustainable Development Goals (SDGs):

- SDG4 – Quality Education: Universal access to education.
- SDG5 – Gender Equality: Supporting equal opportunities.
- SDG8 – Decent Work and Economic Growth: Driving job creation.
- SDG9 – Industry and Innovation: Building infrastructure for development.
- SDG10 – Reduced Inequalities: Promoting economic inclusion.
- SDG17 – Partnerships for the Goals: Strengthening cross-sector collaborations.

3. ESG & Sustainable Investing

- Stronger financial performance – ESG-aligned companies are more resilient.
- Risk mitigation – Reduce exposure to social, environmental, and governance risks.
- Market differentiation – Stand out as a purpose-driven investor.
- Regulatory compliance – Meet evolving sustainability requirements.

4. Tax & BEE Benefits with Section 18A⁵

- Donations to approved institutions are tax-deductible.
- Types of qualifying donations:
 - Cash contributions
 - In-kind donations (goods/services)
 - Payroll giving (salary deductions)
- Key Benefits:
 - Claim full BEE SED points
 - Increase transparency & trust
 - Maximise impact while reducing tax liability

Why It Matters

- Strengthen communities
- Unlock business growth
- Boost ESG impact

² United Nations (2024). The 17 Sustainable Development Goals.

⁵ SARS Tax Deductible Donations Tax Exempt Institutions (TEI) Segment Basic Principles for S18A Approved Tax Exempt Institutions. (2023)

SECTION 2

NAVIGATING THE PUBLIC SECTOR

Investing in education in the Western Cape requires a comprehensive understanding of the public sector landscape, including its planning frameworks, regulatory environment, and opportunities for public-private partnerships.

Western Cape Education Landscape

The Western Cape education system is one of the top performers in South Africa, managed by the WCED. The WCED plays a vital role in implementing policies, enhancing infrastructure, and ensuring high education standards. Its focus areas include improving literacy and numeracy rates, increasing student retention, and providing better infrastructure to schools in both urban and rural areas.

The vision of the WCED is to provide quality education for every learner, in every classroom, in every school in the province.

The province has 1 775 schools of which **1 464 are public**. While public schools dominate the education landscape, the Western Cape also has a growing number of independent and private schools, particularly in early childhood development (ECD) and special education.



Population & School-Aged Learners

- Total Population: 7.33 million
- School-Aged Population: 1.5 million



Education Infrastructure

- Education Districts: 8
- Total Schools: 1 775
 - Independent Schools: 331
 - Primary Schools: 70% of all schools
 - Special Needs Schools: 75



Learners

- Total Learners (Grade R–12): 1.28 million
- No-Fee Learners: 835 000



Staff & Educators

- Total Staff: 49 073
- Staff in Public and Independent Schools: 42 215

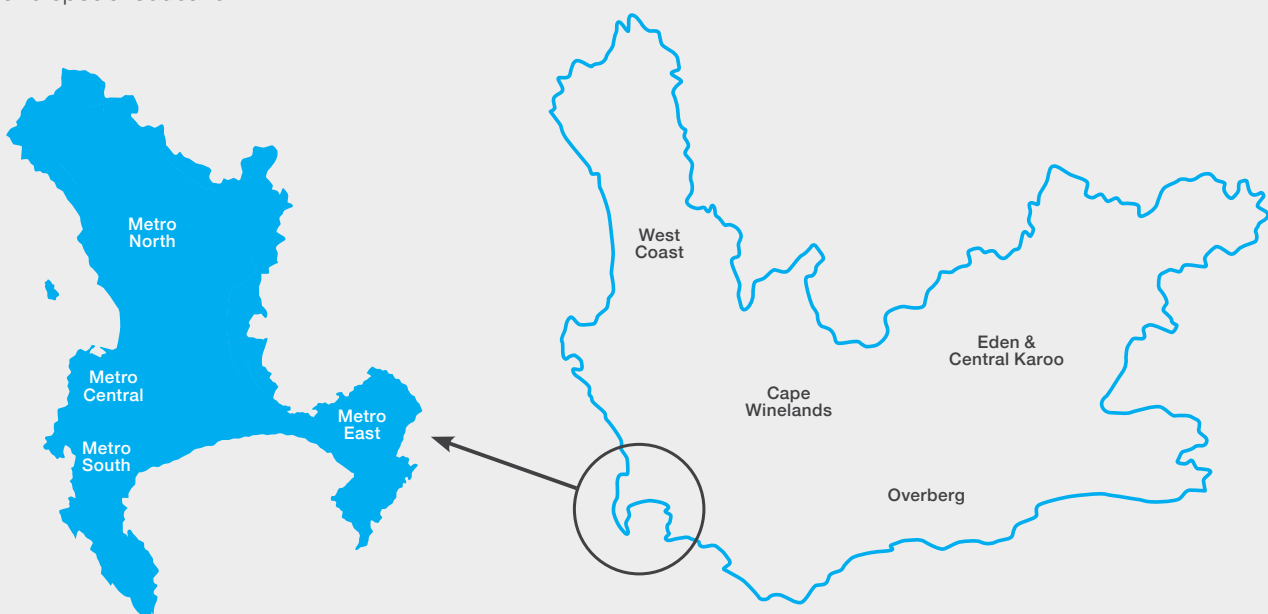


Figure 2: Western Cape education districts



SECTION 2 NAVIGATE THE PUBLIC SECTOR

World Bank Education Sector Analysis

The World Bank's Education Sector Analysis (ESA) report was undertaken at the request of the WCED and was released in September 2024. This report, jointly prepared by the World Bank and the WCED, seeks to provide a comprehensive picture of the education sector in the Western Cape.⁶

The Western Cape has consistently demonstrated its commitment to advancing education, outperforming other South African provinces in many key areas. However, significant challenges remain, presenting unique opportunities for impactful investment.

- **High Performance, Persistent Challenges:** The Western Cape leads in national and international benchmarks like Trends in International Mathematics and Science Study (TIMSS) and PIRLS. However, foundational literacy and numeracy remain critical issues, with 55% of Grade 4 learners functionally illiterate in 2021.
- **Pressure to Expand:** The province is experiencing a surge in demand for educational services due to population growth and migration, requiring 2,900 additional classrooms and 3,200 teachers by 2030.
- **Resource Allocation:** While education receives a significant share of the provincial budget, there is room for better targeting to address inequalities, particularly in no-fee schools and underserved areas.

Main Recommendations

1 Strengthen the Foundation of Learning
Why? Early investments yield exceptional long-term returns, enhancing future educational outcomes.

2 Improve Teacher Effectiveness
Why? Strong local and global evidence shows that quality teaching is the key driver of student learning.

3 Support Innovative Education Reforms
Why? Scaling successful partnerships can help expand the system while improving education quality.

4 Enhance Data & Research Capabilities
Why? Better data collection, monitoring, and evaluation lead to informed decision-making and improved outcomes.



Access the 2024
World Bank
Education Sector
Analysis full report

Progress requires active collaboration between government, private sector investors, and civil society. Edu Invest, powered by Wesgro in partnership with the WCED, drives public-private partnerships (PPP) and investments that can address critical challenges like infrastructure shortages, teacher training needs, and disparities in access to quality education. These investments will not only benefit the province's learners but also strengthen its economic resilience and global competitiveness.

Key Legislation & Policies

Investing in education requires a clear understanding of the government's regulations and policies. **The National Development Plan (NDP)** aims to improve education outcomes and close the skills gap by 2030. Key legislation guiding the education sector includes:

- **South African Schools Act (1996):** Sets the framework for managing public schools, including governance, funding, and curriculum standards.
- **Higher Education Act (1997):** Governs universities and colleges, including their accreditation, funding, and academic standards.
- **National Education Policy Act (1996):** Regulates policy formulation and implementation for the broader education system
- **South African Schools Act and National Education Policy Act:** Establish the statutory framework for how schools operate.



Access document
briefs and detailed
descriptions

These policy documents inform the strategies for National Education delivery and provide insights into how the private sector could best support national policy objectives. It includes guidelines on Norms and Standards, Transport etc.

Successful engagement with the Western Cape's public sector requires a deep understanding of the regulatory landscape, active involvement in the education sector and a strong commitment to collaboration. All serious investors should understand the political landscape to position their proposals.

Joining Forces

The education system is currently facing significant challenges, requiring collaboration between public and private sectors to enhance the quality of education in our province. To build upon the successes achieved so far, new partnership models that involve private philanthropic and corporate investments are being established to support our education sector.

These partnerships are formalised through legal agreements, such as a Memorandum of Understanding (MOU), which clearly outlines the opportunities and defines the roles and responsibilities of both parties involved. It is important to differentiate these as collaborative partnerships built around a shared vision, rather than standard service provision to the WCED, which is governed by a formal, mandated procurement process.

The first step in partnering with the WCED is to confirm registration on the Central Supplier Database (CSD), a single source of all supplier information for all spheres of government. This is a compliance requirement that is essential to enter agreements with any public entity, even ones outside of standard service provision.

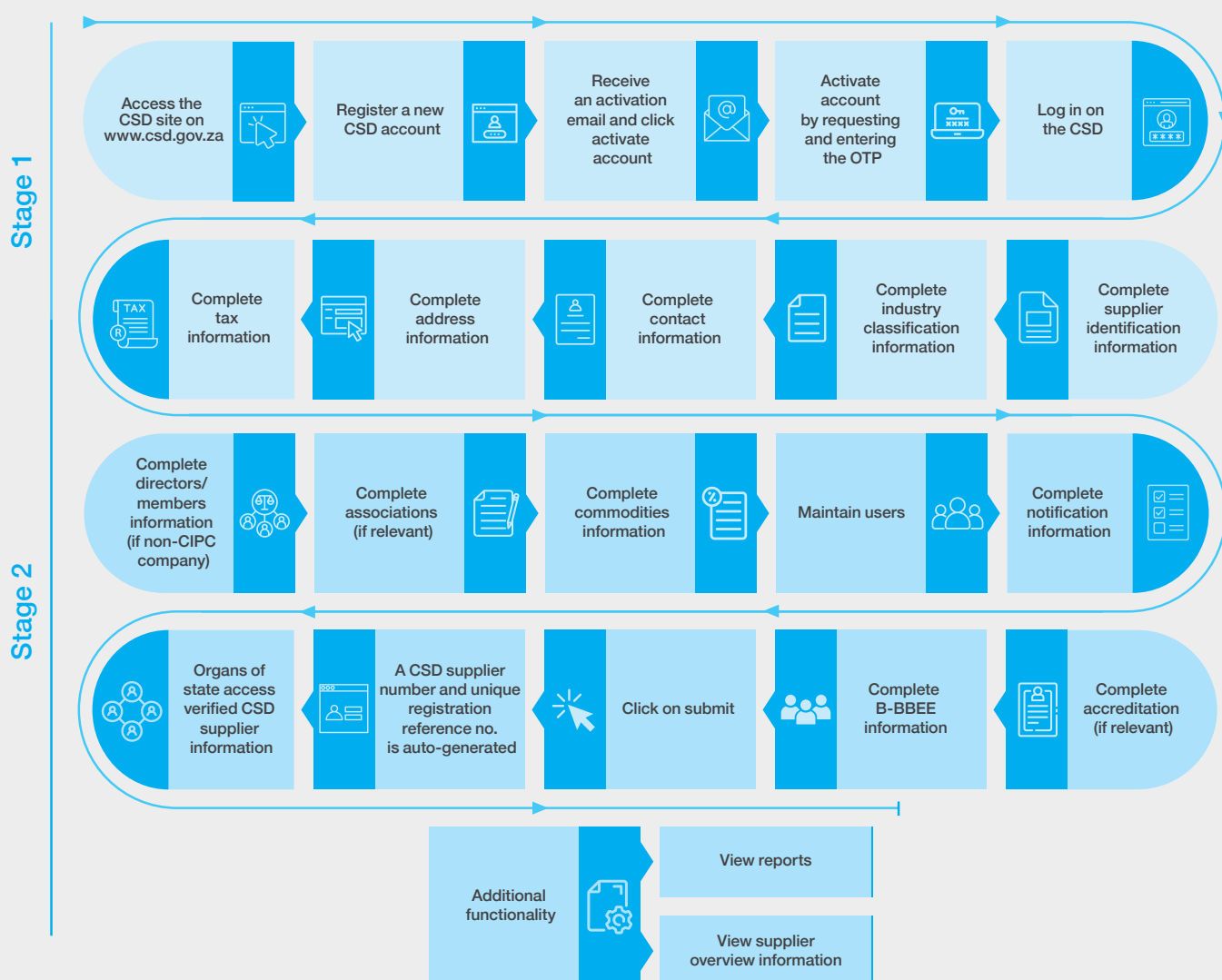


Figure 3: Supplier self-registration process



Register on
CSD here

SECTION 3

INVESTMENT AND BUSINESS INSIGHTS

Investing in education is not just a social responsibility; it is a strategic driver of economic growth and job creation. In the Western Cape, the link between education and economic development is clear. A well-educated population is the foundation of a thriving economy, and investments in education today will shape the next generation of leaders, professionals, and innovators who will drive the region forward.

Edu Invest, powered by Wesgro, is helping facilitate investment in education and supporting investors throughout their journey. We also focus on policy and regulatory advocacy, assisting investors in expanding their presence in the education sector.

Education Investment Research

Wesgro commissioned a research study on investments in education. The majority of the study focused on the comparative analysis of public and private investments in education, revealing that while public funding dominates, private contributions are increasingly influential, particularly in areas such as ECD, EdTech and infrastructure development. This growing role of the private sector is seen as essential for the province's efforts to build a more sustainable and resilient education system.

Fact: For every R1 contributed by the public sector, the private sector invests 30c

South Africa spends 30% more on education as a fraction of total public sector expenditure than the average upper-middle-income country. Over the past 10 years, for the public sector, the basic education budget allocation has shown a modest decline from 16.8% to 16.3% of non-interest expenditure. Over the same period, the post-secondary education budget allocation has increased from 4.6% to 7.2% of non-interest expenditure, a 56% increase.⁷

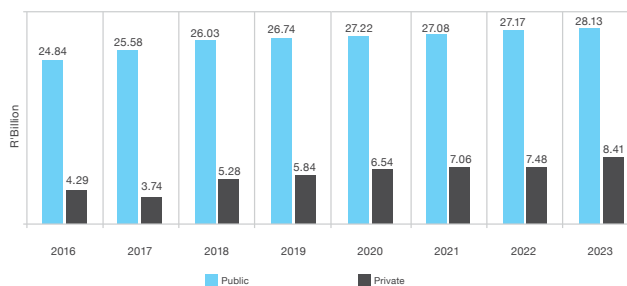


Figure 4: Total basic education expenditure, real, public vs private

Figure 4 shows the primary role of public funding in basic education while highlighting the growing but still very minor role of private expenditure in the Western Cape. The gap between public and private spending remains large, but private spending is gradually becoming a more significant component of total educational expenditure. Both public and private expenditures have been growing each year. However, the rate of increase in private spending is slightly higher in percentage terms, reflecting a rising contribution from private sources.

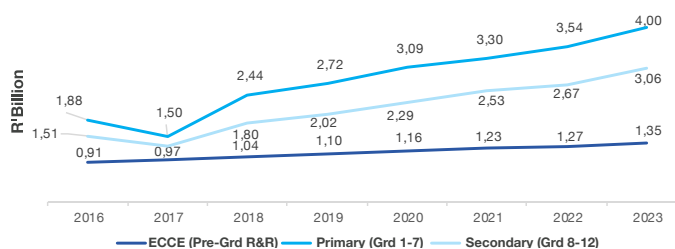


Figure 5: Private spending on basic education by category, WC

All categories show a trend of increased spending, reflecting a broader commitment to improving education across all levels. The increase in private spending on early childhood care and education (ECCE) reflects growing investment in the foundational years, potentially due to greater awareness of its long-term benefits as well as the desperate need in the ECCE sector for PPP to ensure access and quality.

Any future investments directed to education in the Western Cape should be contextually relevant, evidence-based, and cost-effective. It should contribute to transformative outcomes that lead to gainful employment.

"We are amidst global competition, racing to secure new markets, investments, skills, and technology. To not only survive but flourish on the global stage, we must craft a fresh growth narrative with education as its linchpin. For businesses, it's not just a strategic move; it's an investment in the young talents who will shape our economic future."

Wrenelle Stander, Wesgro CEO

OPPORTUNITY 1: Infrastructure Development

Investors can contribute to building or upgrading of school facilities, particularly in areas where infrastructure gaps are largest. With only **5,2% of all learners in independent schools**, there is a real demand for all types of independent schools to service the increasing demand for quality education.

Western Cape School Infrastructure Challenges

1

Ageing School Infrastructure

- 5 in 7 schools are 40+ years old and need urgent upgrades.
- 20% of schools were built before 1960, many with historic heritage value.

2

Sub-Standard School Buildings

- 750+ schools were built partially or fully with inappropriate materials.
- Many do not meet Minimum Uniform Norms & Standards for Public School Infrastructure.

3

Rapid Learner Growth

- 17.4% increase in learner enrolment over the past decade.
- Rapid expansion is needed to accommodate the growing student population.

4

Overcrowding and Congestion

- High pressure on no-fee and low-fee schools, leading to overcrowding.
- Limited space and resources affect learning conditions.

5

Infrastructure as an Enabler

- Investing in modern, safe, and well-equipped schools is essential for quality education.

The available data defines the challenge, as well as the opportunity. Over the last 5 years, the Western Cape experienced the fastest growth in the number of learners in the country. The number of learners in the Western Cape is expected to grow by an additional 120 605 learners between 2023/24 and 2029/2030.

Total growth of learners in the Western Cape

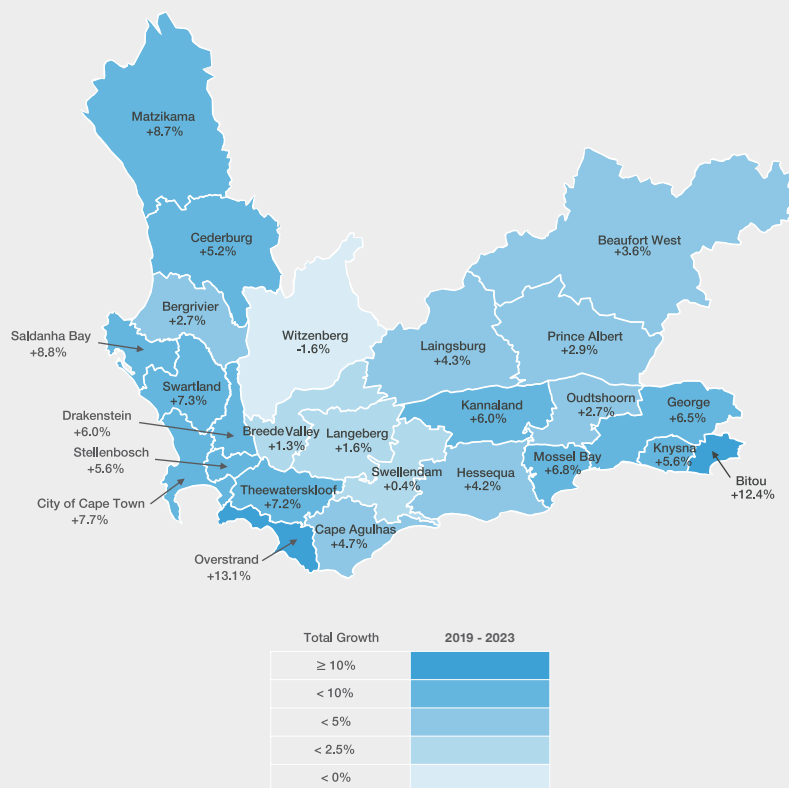


Figure 6: Total growth in the Western Cape between 2019-2023

To meet the demands of this growth, significant investment in new school infrastructure is required. Over R15 billion in capital expenditure will be needed to construct 244 schools and 3,415 classrooms during this period. Given the ongoing fiscal constraints at the national level, a collaborative response that leverages innovative solutions will be critical. This presents a unique opportunity to establish new schools and expand access to education across the region.

Fact: Currently there are more learners in Grade R in public ordinary schools than learners in independent schools across Grade 1-12

Complementary school models are necessary to lower costs, offer differentiated instruction, and scale up teacher supply, while at the same time boosting education outcomes. Not only are low-fee independent schools attractive and in demand, they are sustainable and yield excellent learning outcomes.

⁷ Wesgro (2024). Education Investment Research Report.

SECTION 3 INVESTMENT AND BUSINESS INSIGHTS

Start A New Independent School Or Expand Your Schools In The Western Cape



Land Application: Purchase of Public Non-Viable Land*

An illustration of the statutory route that an application to purchase non-viable city owned land has to follow:



*This is an adaptation of the City of Cape Town's process route diagram for purchasing non-viable land.

SECTION 3 INVESTMENT AND BUSINESS INSIGHTS

OPPORTUNITY 2: CSI into Education Resources & Services

Corporate Social Investment (CSI) in South Africa remains a critical component of the private sector’s engagement in societal development. According to the latest Trialogue Business in Society Handbook, a sizeable portion of CSI funding is allocated to the education sector, reflecting the pivotal role that education plays in fostering sustainable societal change.

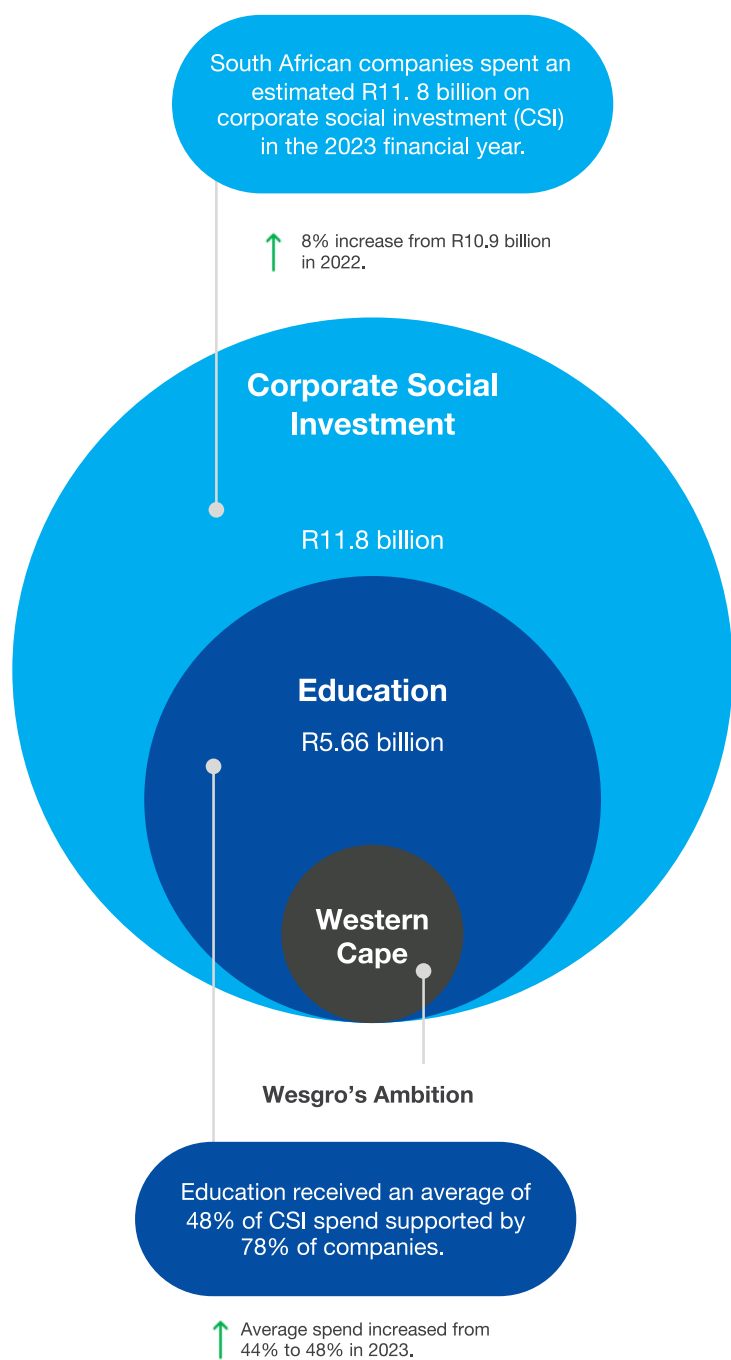


Figure 7: Corporate Social Investment in South Africa

© 2023 Trialogue Business in Society Handbook

The 2023 Triologue Business in Society Handbook⁸ highlights that South Africa sees substantial annual investments through CSI, with businesses dedicating large sums to initiatives that address various social issues. Of the total CSI expenditure, education consistently receives the largest share, underscoring the sector's priority among corporate investors.

This focus is driven by the recognition of education as a foundational element that influences economic growth, social stability, and the long-term well-being of communities.

CSI expenditure in South Africa has steadily increased over the years with the estimated CSI spend of R11,8 billion in 2023, reflecting the growing importance of corporate citizenship and social responsibility among businesses.

According to the report, South African companies allocate a substantial portion of their annual budgets to CSI initiatives, covering areas such as education, social and community development, as well as food security and agriculture.

Investment Distribution & Impact

Education receives approximately 48% of total CSI funding, making it the most heavily supported sector. This investment targets various sub-segments within education, including basic education, ECD and tertiary education.

The investments are typically aimed at improving access to quality education, reducing educational disparities, and enhancing student outcomes, particularly in under-resourced areas.

How to Donate to Western Cape Schools & the WCED

When it comes to CSI donation, donations can be made to the WCED in support of their key priorities or directly to a school.

Identify Your Donation Purpose

Choose an initiative to support:

- Learning and Teaching Support Materials (LTSM)
- Digital Resources and eLearning Tools
- Infrastructure Maintenance and Upgrades
- Scholarships and Educational Programmes
- Teacher Training and Professional Development

Contact Edu Invest

Email: eduinvest@wesgro.co.za
Phone: 021 487 8600
 Provide details about your donation (type, value, and purpose).

Due Diligence & Viability

Edu Invest will assess the opportunity to ensure compliance and feasibility.

Compliance & Approval

- Donations must comply with National Norms and Standards for School Funding (NNSF).
- Submit required documents, including:
 - Proposal and description of the donation
 - Supporting documents verifying donor details

Allocation & Agreements

WCED or the school will review the donation proposal to align it with its priorities and needs. Followed by the signing of a Memorandum of Understanding (MoU) or donation agreement, specifying:

- Allocation of funds or materials.
- Any associated conditions or reporting requirements.

Donation Processing

- Financial contributions - Direct deposit into WCED-approved accounts.
- In-kind donations - Delivery of materials/resources

Implementation & Reporting

- Donation is implemented as agreed.
- Regular updates and reports provided to ensure transparency and impact tracking.

Section 18A Certificates: Schools can issue Section 18A certificates for donations made directly to them, allowing donors to benefit from tax deductions under South African tax law, encouraging greater contributions.

SECTION 3 INVESTMENT AND BUSINESS INSIGHTS

Ilifa Labantwana Case Study

In South Africa, the poorest children and their caregivers often lack the additional support they need in the first 1 000 days and are deprived of quality early learning opportunities. Consequently, South Africa is missing out on the economic and social benefits that come from investing in a women-led economy.

Less than half of children aged 0-5 have access to an early learning programme.



An estimated 57% of children aged 0-5 fail to thrive and reach their full potential.

ECD encompasses a crucial period of physical, mental, and socio-emotional growth from conception to age six. When children benefit from high-quality ECD, they are better prepared to start school and fully engage in social and economic life as adults.

Founded by ELMA Philanthropies and the DG Murray Trust, Ilifa Labantwana (meaning “children’s legacy” in Nguni) was established to support the implementation of South Africa’s National Integrated Plan for ECD (2005-2010). Designed from a systems perspective, Ilifa Labantwana strengthens the ECD ecosystem through evidence-based strategies, collaboration, and advocacy, striving towards a more equitable and prosperous nation.

The Essential Package of ECD Services



Maternal and Child Healthcare



Nutritional Support



Simulation for early learning



Social Services



Support to Primary Caregivers

Ilifa Labantwana’s impact stems from a holistic approach that integrates key levers such as systems strengthening, as seen in the ECD Conditional Grant, and human capital investment, improving future workforce productivity. Focus on nutrition and infrastructure ensures children are ready for school, while the Thrive by Five Index and #LovePlayTalk campaign engage communities to sustain long-term growth and equity.

To date, Ilifa has secured R1 billion in investment from key funders, reflecting the confidence and understanding of the importance of ECD investment. If all children achieved optimal physical growth, South Africa could add R22 billion annually to its GDP. A universal early learning programme (ELP) has the potential to increase GDP by 25%, while a national home visiting programme could save the health sector R30 billion over 10 years and add R427 billion through increased productivity and employment.

Beyond economic growth, ECD investment drives job creation, particularly in the women-led care economy. Ilifa has contributed to over 20,000 new jobs by expanding childcare platforms and advocating for government subsidies, empowering marginalised women. This dual investment in human capital and community-driven employment strengthens local economies, positioning ECD as a key contributor to South Africa’s long-term socio-economic development.



Write at speed every day until you are really fast

1	7 x 9 =	13	9 + 9 =	18	63 ÷ 9 =
8	8 x 9 =	14	18 ÷ 9 =	30	72 ÷ 9 =
9	9 x 9 =	15	27 ÷ 9 =	33	81 ÷ 9 =
10	10 x 9 =	16	36 ÷ 9 =	33	90 ÷ 9 =
11	11 x 9 =	17	45 ÷ 9 =	23	99 ÷ 9 =
12	12 x 9 =	16	54 ÷ 9 =	24	108 ÷ 9 =

Complete the calculations

1 facts

Circle the smallest fraction

3/7
1/2
1/3

Division

7 1 4 3
3 8 8
5 2

SECTION 3 INVESTMENT AND BUSINESS INSIGHTS

OPPORTUNITY 3: Public-Private Partnership

It is prudent that education is reprioritised as a priority for all industries in South Africa and it will take the commitment of both public and private sectors to reshape the educational landscape, promote collaboration, and create a brighter future for the Western Cape.

“The future of SA hinges on a strong education system that works hand in hand with the private sector and integrates smart solutions to address learning setbacks.” David Maynier, Western Cape Minister of Education

Collaborating on projects that enhance and transform educational priorities through CSI or direct investment is the core of effective PPPs. Edu Invest will actively engage key stakeholders who share a common vision, providing valuable opportunities that promise sustainable and impactful outcomes to facilitate PPPs.

Early Childhood Development (ECD) in South Africa: 2021 Census

National Overview

- Total ECD Programmes: **42 420**
- Funding Sources:
 - 69% from Fees
 - 27% from Government Subsidies
 - 4% from Donations
- Facilities:
 - 73% have access to a tap on premises
 - 60% have a flush toilet
 - 86% are housed in formal structures
- Geographical Distribution:
 - 60% learners in urban areas
 - 40% learners in rural areas
- Learner-to-Teacher Ratio: 39:1
- Books:
 - 71% of practitioners have children's books
 - 61% have at least 10 books
 - 54% have age-appropriate books for different age groups
- Outdoor Playgrounds: 34% do not have access to a suitable outdoor playground

Western Cape Highlights

- Total Learners in Grade R: 70 060
- Public Schools: 63 086
- Independent Schools: 6 974
- Registered ECD Centres: 2 192
- Unregistered Centres: 2 755

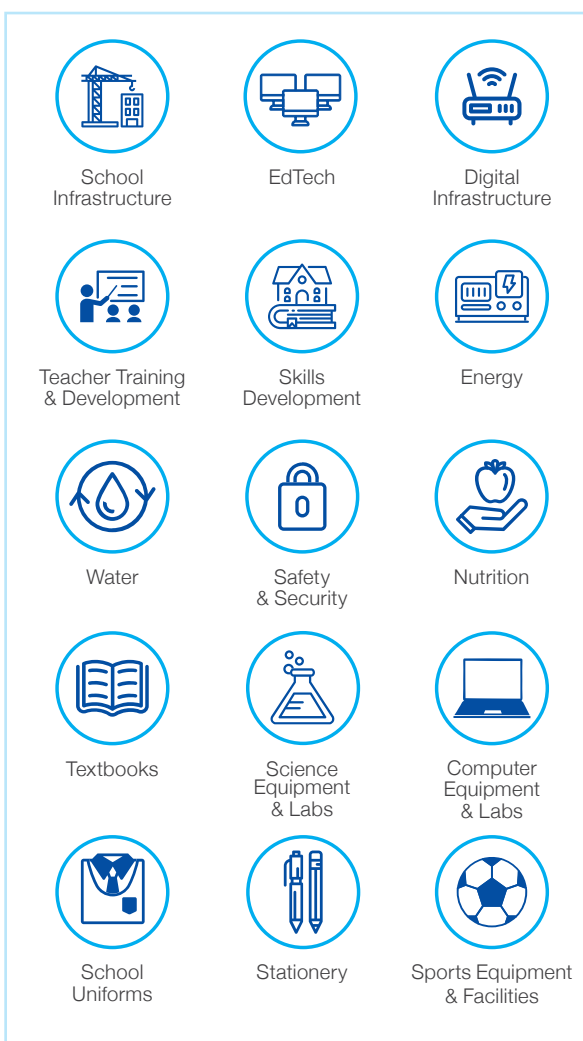
CSI & PPP Opportunities

ECD: Expanding access to quality ECD programmes is a major priority for the government, with opportunities to collaborate on infrastructure and teacher training initiatives.

STEM and Digital Learning: Partnering with the government to introduce Science, Technology, Engineering, and Mathematics (STEM) education and digital technologies in public schools can yield both social and financial returns. This collaboration not only equips students with essential skills for the future workforce but also drives innovation and economic growth.

Teacher Training Initiatives: By supporting WCED and Department of Higher Education (DHET) in enhancing teacher training programmes, investors can contribute to raising the overall quality of education while fostering a skilled workforce for future industry needs.

Partnering with the WCED: Supply schools with essential resources such as textbooks, laboratory equipment, and learning materials.





SECTION 3 INVESTMENT AND BUSINESS INSIGHTS

OPPORTUNITY 4: EdTech

Educational Technology, commonly referred to as EdTech, encompasses a diverse array of digital tools, platforms, and resources designed to enhance teaching and learning experiences. At its core, EdTech seeks to harness the power of technology to democratise access to quality education, foster personalised learning experiences, and prepare learners for success in a rapidly evolving digital world.

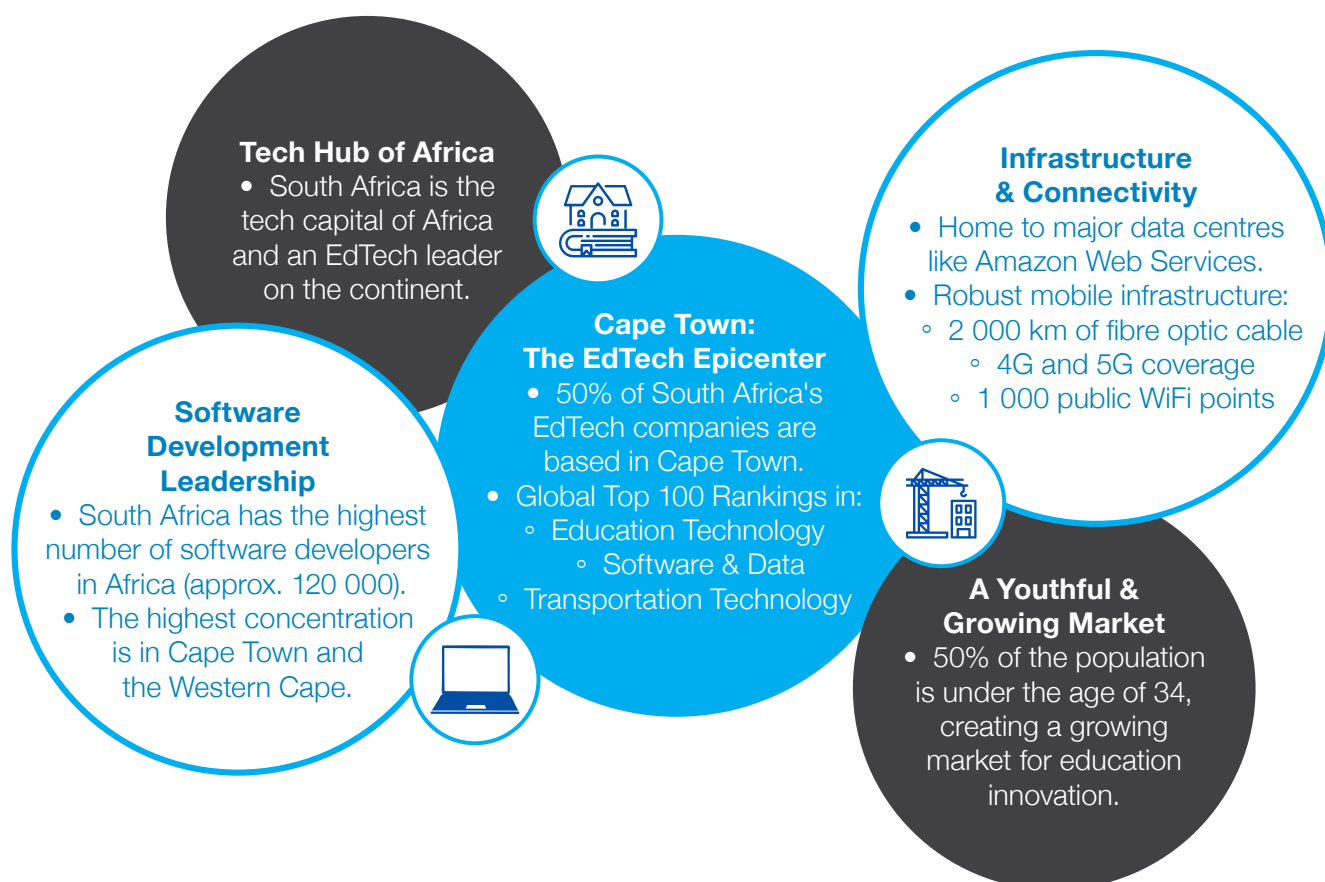
In the context of the Western Cape's economic landscape, EdTech plays a pivotal role in driving innovation, improving access to education, fostering human capital development, and enhancing the region's competitiveness on the global stage. As a hub of technological innovation and entrepreneurial activity, the Western Cape stands poised to leverage EdTech as a catalyst for economic growth and sustainable development.

Cape Town and the Western Cape is Africa's tech capital and considered as an innovation hub creating innovative solutions across the African continent.

When it comes to investment, there are two options: Collaborating with existing EdTech startups or creating new ventures.

Investing in or developing educational technologies, such as virtual classrooms or digital content platforms, can significantly enhance learning experiences, providing students with innovative tools for engagement and access to quality education. Investing in the Western Cape's growing technology ecosystem can drive innovation in education, helping to strengthen the region's digital learning landscape.

South Africa: Africa's Tech Capital & EdTech Leader

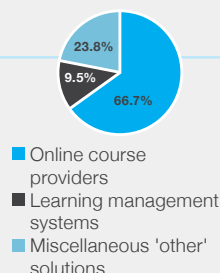


⁹Profile on Education in South Africa SA EdTech Overview, n.d.

The EdTech Landscape⁹

42

EdTech start-ups active in South Africa, making up **8.6%** of the ecosystem.



Cape Town is the biggest hub of EdTech ventures, with **52.4%** of EdTech companies. Johannesburg has **38.1%**.

26.2%

of EdTech companies have one female founder or co-founder.

Only **19%**

of EdTech start-ups have participated in an accelerator.

EdTech startups created 12,2% of work, second only to FinTech which has a much higher number of organisations in the category. This breaks down to an average of 32.9 jobs per start-up - the biggest average job creation of all major sectors.

24%

of the government budget dedicated to education and culture (\$24.7 billion).



SA's first billion-dollar unicorn was online education business Go1.

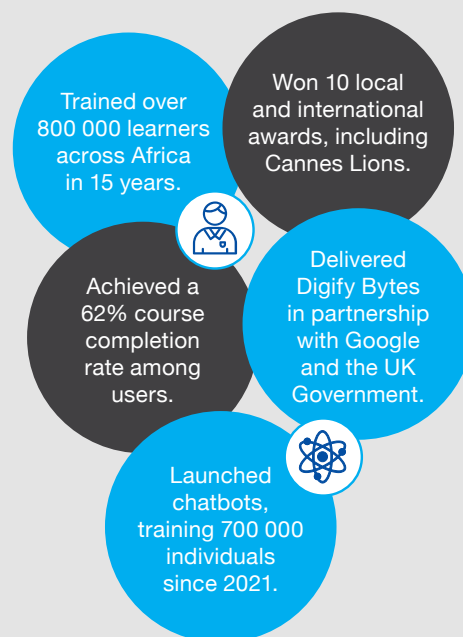
The value of EdTech market expected to reach **\$1.52 billion** by 2026.

Digify Africa Case Study

Since its inception in 2014, Digify Africa has bridged the digital divide across South Africa and beyond. Leveraging WhatsApp and its DigiBot platform, it has provided accessible digital education to over 800,000 learners, equipping them with essential skills for the modern economy. With high engagement and completion rates, particularly among young African women, Digify Africa is committed to empowering vulnerable youth at risk of unemployment due to inadequate digital skills. Its scalable, user-friendly solutions serve as a successful model for digital education in low-resource settings, positioning the organisation as a beacon of innovation dedicated to transforming lives across Africa.

In 2011, Livity Africa launched Live Magazine, South Africa's first youth-led publication, highlighting the urgent need for digital skills. Digify Africa PTY is the for-profit subsidiary of the Digify Foundation and was launched in 2019 to address this gap. As a Level 1 BEE black-women-owned company, it offers youth-centric programmes, from basic digital skills to advanced training, connecting businesses with over 85,000 skilled alumni. By empowering disadvantaged youth with essential skills, Digify Africa enhances employability and creates opportunities for a secure future.

Digify Africa has secured R15.5 million from key funders, including the British High Commission and Mastercard Foundation. Stakeholders access a live dashboard for real-time insights. In 2022 and 2023 Digify Africa generated over R5 million in revenue, excluding grants and prior to major corporate clients. The organisation aimed to secure a new multi-year funding partner by 2024.



Digify Africa presents a compelling investment opportunity with vast potential for large-scale impact, as learners can easily access educational content and bespoke training programmes. Supported by strong institutional backing, the model is poised for significant growth with the ambitious goal of reaching five million learners in the next five years. Investors have the chance to drive this expansion, contributing not only to bridging the digital divide but also to economic empowerment for youth, opening opportunities in emerging industries and improving gender equity in education. With its proven success and ability to address scalability and accessibility challenges in open learning, Digify Africa offers a cost-effective, sustainable solution that stands as a powerful catalyst for change.

SECTION 3 INVESTMENT AND BUSINESS INSIGHTS

OPPORTUNITY 5: Post-School Education and Skills Development

The South African Department of Basic Education has released the latest matric results, showing an increase in the overall pass rate and a positive rise in the number of students qualifying for admission to universities, colleges, and further skills development institutions.

2024 Matric Results: Key Statistics & Challenges¹⁰

Accessing further studies and skills development is crucial for all learners. However, challenges such as financial constraints, transportation issues, and limited guidance can hinder their progress. By partnering with educational institutions and exploring investment opportunities, we can improve access to post-school opportunities and better prepare the next generation of professionals and job creators.

Matric Exam Enrolment <ul style="list-style-type: none">• Total Candidates: 880 104<ul style="list-style-type: none">◦ Full-Time Candidates: 724 156◦ Part-Time Candidates: 155 948	National Pass Rate <ul style="list-style-type: none">• Class of 2024 Pass Rate: 87.26%<ul style="list-style-type: none">◦ Increase of 4.36% from 82.9% in 2023	University Admission <ul style="list-style-type: none">• 47.8% of candidates qualified for Bachelor's studies, a significant improvement from 40.9% in 2023
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First-year university applications

A total of **337 158** matrics achieved admission to Bachelor studies. But, due to limited places (**131 987**), universities won't be able to accomodate them all.

	Applications	Places
University of Johannesburg	693,990	10,500
Cape Peninsula University of Technology	518,309	9,235
North-West University*	390,000	12,937
Walter Sisulu University	390,000	7,300
University of Pretoria	355,829	9,000
Vaal University of Technology	330,302	5,558
University of Limpopo	304,856	4,995
University of KwaZulu-Natal	290,600	8,600
Tshwane University of Technology	245,000	15,000
Stellenbosch University	225,639	6,005
Nelson Mandela University	207,089	7,500
Durban University of Technology	147,076	9,454
University of Venda	120,687	3,684
University of the Western Cape	120,000	4,705
Mangosuthu University of Technology	103,483	3,223
University of Cape Town	98,844	4,500
Wits University**	86,000	6,000
Sol Plaatje University	48,974	2,273
Rhodes University	19,650	1,518

Table 3: First-year university applications ¹¹

⁹Profile on Education in South Africa SA EdTech Overview, n.d.

¹⁰ Department of Basic Education, 2024

¹¹ News24, 2024

Investment Opportunities

Investing in Skills Development:

Supporting skills development programmes aligned with the Western Cape's key economic sectors, such as technology and business processing, tourism, and agri-processing, can include apprenticeships, internships, and workplace training programmes to address sector-specific workforce needs.

Establishing Centres of Excellence:

New centres in emerging fields like renewable energy, digital technologies, and sustainable agriculture can stimulate innovation while addressing critical skill shortages in the region.

Creating Education-to-Employment Pathways:

The "YES" initiative is a collaboration between government and business to provide more jobs and

apprenticeships for South Africa's young workers. Partnering with private sector companies and government initiatives will create integrated pathways from education to employment and ensure students are job-ready and aligned with future workforce demands.

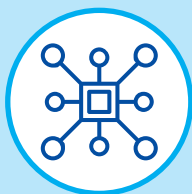
TVET Colleges and Skills Development:

Partnering to support vocational training aligned with industry needs presents a clear avenue for investment, particularly in sectors like technology, manufacturing, and agriculture.

These offer a roadmap of opportunities across various sectors to boost skills development in the region.

FUTURE OUTLOOK: Vision for Education in the Western Cape

The future of education in the Western Cape is one where every child has access to high-quality education that prepares them for the demands of the modern world. Investments made today pave the way forward in shaping an educated, prosperous community that thrives on innovation and inclusivity.



Sustainable Educational Models:

Looking forward, the focus will be on developing sustainable, scalable educational models that leverage technology and best practices from around the globe.



Economic and Social Returns:

Education is an area where social and economic benefits are deeply intertwined. Investments in education not only improve societal outcomes but also foster economic development, creating a cycle of prosperity that benefits all.



Global Competitiveness:

With a robust educational foundation, the Western Cape can continue to compete on a global stage, attracting further investment and talent to the region.

SECTION 4

CONNECT WITH EDU INVEST

The opportunities for investment in the Western Cape's education sector are vast and varied, presenting the chance to make significant contributions to both societal development and economic growth.

Your Journey Starts Here

Calling all CEOs and business leaders to recognise the profound impact that strategic investments in education can have on the Western Cape.

ACT NOW!

Steps to Drive Impact in Education



Engage with Existing Initiatives

- Boost private sector participation in current programmes.
- Amplify impact through active engagement.



Innovate and Pioneer

- Explore untapped opportunities in:
 - Technology Integration
 - STEM Fields
 - Teacher Training
- Lead pioneering efforts for South Africa and beyond.



Collaborate for Greater Impact

- Complex challenges inspire collaboration between:
 - Government
 - Non-Profits
 - Businesses
- Comprehensive solutions that no single entity can achieve alone.

Contact Information

Opportunities and the strategic significance of investing in education in the Western Cape have been showcased. Take the next steps in your corporate strategy and unlock the future of education in the Western Cape!

eduinvest@wesgro.co.za

021 487 8600



SECTION 5

USEFUL RESOURCES

To facilitate understanding, especially for stakeholders who may be new to the educational or investment sectors in South Africa, here is a high-level list of acronyms and key definitions that were prominent throughout the guide.

Acronyms

1. **CSI** - Corporate Social Investment: Refers to initiatives by companies to contribute positively to their communities and the wider society, often focusing on areas like education, healthcare, and social development.
2. **DBE** - Department of Basic Education: Responsible for elementary and secondary education in South Africa, including curriculum development and teacher training.
3. **ECD** - Early Childhood Development: Programs and policies aimed at the developmental needs of young children, which are crucial for their future learning and development.
4. **STEM** - Science, Technology, Engineering, and Mathematics: Educational programs focused on these critical areas to foster inquisitiveness, problem-solving, and technical skills among students.
5. **EdTech** - Education Technology: The combined use of computer hardware, software, and educational theories to facilitate learning and improve performance.
6. **PPP** - Public-Private Partnership: A cooperative arrangement between one or more public and private sectors, typically of a long-term nature, aimed at providing a public asset or service.
7. **WCED** - Western Cape Education Department: The regional government department responsible for primary and secondary education in the Western Cape.
8. **DHET** - Department of Higher Education and Training: Manages higher education and vocational training in South Africa, working to ensure these align with the country's skills needs and economic goals.
9. **PIRLS** - Progress in International Reading Literacy Study: An international study that evaluates reading skills of fourth-grade students.
10. **TIMSS** - Trends in International Mathematics and Science Study: An international assessment that measures trends in mathematics and science achievement at the fourth and eighth grades.

Key Definitions

1. **Investment Scalability:** Refers to the ability to increase investment size without a corresponding increase in the cost of operations, allowing the investment to accommodate growth without diminishing returns.
2. **Sustainable Investment:** Investments that generate returns while promoting the sustainability and resilience of the project or area, considering environmental, social, and governance (ESG) factors.
3. **Impact Measurement:** The process of assessing the benefits of a project or investment, particularly in terms of social and environmental impact, to determine its effectiveness and guide future initiatives.
4. **Digital Literacy:** The ability to use information and communication technologies to find, evaluate, create, and communicate information, requiring both cognitive and technical skills.
5. **Capacity Building:** Efforts aimed at developing and strengthening the skills, instincts, abilities, processes, and resources that organisations and communities need to survive, adapt, and thrive in a fast-changing world.
6. **Innovative Educational Models:** New and effective approaches to education that challenge traditional methods, often incorporating technology, new pedagogies, or alternative educational pathways.
7. **Social Return on Investment (SROI):** An approach to measuring values that are not traditionally reflected in financial statements, including social, environmental, and economic factors, which can identify how effectively a company is achieving its aims in terms of positive social impact.

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