



Environmental Law and Sustainability

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- Public-private partnerships pave the way for South Africa's low-carbon economy



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Public-private partnerships pave the way for South Africa's low-carbon economy

South Africa is gradually embracing a greener future that is no longer driven solely by environmental policy considerations. Climate commitments, procurement reform and energy sector planning are increasingly positioning public-private partnerships (PPPs) as a strategic tool to drive sustainable development. These collaborations between Government and businesses, accounting for roughly 15% of South Africa's GDP, are increasingly being seen as mechanism to simultaneously deliver infrastructure and promote sustainability.

Although South Africa's green transition remains an evolving process, the procurement landscape is changing in a way that could materially influence how projects are funded, designed and awarded. PPPs create opportunities for the direct incorporation of environmental considerations into procurement processes and project design from the outset. Increasingly, environmental performance is no longer viewed as a separate compliance 'tick-box' exercise, but as a key factor capable of influencing procurement outcomes, investment decisions and project viability.

Prioritising the procurement of environmentally sustainable goods and services ultimately incentivises private sector participants to reduce their environmentally harmful practices in order to participate in PPPs. This moves beyond a purely punitive approach to environmental harm, as factors such as energy efficiency and climate resilience now influence outcomes, alongside price and technical capability.

Demonstrating sustainability through energy procurement programmes

South Africa's energy sector provides a practical illustration of how structured tender processes and PPPs can drive sustainability outcomes. The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) has demonstrated that competitive procurement can deliver large scale renewable capacity at declining tariffs, while embedding environmental, social and governance requirements directly into bid evaluation criteria.

In this context, [amendments to National Treasury Regulation 16](#), which took effect from 1 June 2025, sought to modernise the PPP framework by simplifying approval processes, creating more space for alternative delivery models and introducing mechanisms for unsolicited proposals.



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Although not expressly aimed at sustainability objectives, the amendments may indirectly support infrastructure development linked to South Africa's just energy transition by reducing procedural barriers to private investment and enabling more flexible participation in energy, transport and other strategic infrastructure sectors. In doing so, the amendments may assist in creating a more enabling environment for the delivery of infrastructure projects that support broader sustainability and decarbonisation objectives.

Procurement as a driver of the green economy

The South African Renewable Energy Masterplan (SAREM), approved in March 2025, reflects the country's commitment to building a local green economy. Beyond expanding renewable energy and battery storage capacity, the SAREM encourages renewable energy projects to source components, materials and related services from South African suppliers where feasible, illustrating how procurement frameworks can be used to support industrial development, job creation and broader sustainability objectives.

This shift is further supported by the Public Procurement Act 28 of 2024, although not yet in force, which gives government departments more flexibility and scope to include sustainability goals in their procurement decisions. In practice, this may allow public procurement processes to place greater emphasis on sustainability considerations, creating further opportunities for government spending and infrastructure procurement to support renewable energy development, greener supply chains and broader sustainable development objectives.

Local government initiatives are already leading the way. The City of Cape Town and Western Cape Government have launched green building projects, solar-powered transport hubs and waste recovery facilities. Projects that incorporate measurable sustainability outcomes may also become better positioned to access climate-linked funding mechanisms and other financing opportunities.

The effect is that the incorporation of environmental considerations into PPPs can assist both the public and private sector in unlocking crucial funding earmarked for sustainability objectives, including funding linked to South Africa's just energy transition. This may create a commercial incentive for project developers to integrate measurable sustainability outcomes into project design from an early stage, potentially improving the bankability of critical infrastructure projects and helping to mobilise investment into much-needed upgrades to South Africa's water, wastewater and electricity transmission infrastructure.

Challenges to implementation

Despite the increasing integration of sustainability considerations into procurement, infrastructure planning and investment decision-making, practical challenges remain. Many procurement officials lack technical training in green procurement and sustainability assessment, while smaller businesses may struggle to meet evolving environmental standards due to the cost of compliance, limited technical expertise, and the resources required to implement sustainability measures.



Chambers Global 2026 Results

Environmental Law

2021–2026 ranked our practice in
Band 3: Environment.

Individual Rankings

Alecia Pienaar: 2026 as an
"Up & Coming" environmental lawyer.





Recent [efforts to reform environmental impact assessment processes](#) for renewable-energy projects further illustrate an increasing recognition that regulatory efficiency, technical capacity and environmental integrity must be balanced to enable the effective implementation of green PPPs. This is critical, as delays in environmental approvals, uncertainty in regulatory requirements and inconsistent decision-making processes often materially affect the viability and bankability of infrastructure projects.

Institutional capacity constraints therefore remain a significant concern. Improving technical expertise within government institutions, streamlining environmental decision-making processes and ensuring consistent regulatory implementation may become as important as the development of sustainability-focused procurement frameworks and other measures intended to support South Africa's green transition.

Conclusion

As South Africa moves toward a low-carbon economy, PPPs are increasingly becoming vehicles for delivering infrastructure, investment and long-term economic growth. For businesses operating in sectors such as energy, infrastructure, construction, manufacturing and waste management, this signals a shift in how projects are evaluated and awarded.

To secure a competitive edge in future PPPs, businesses will need to move beyond reactive compliance and rather proactively integrate sustainability considerations into project planning, financing structures and bid submissions. Meaningful engagement between Government and the private sector will therefore be essential to ensure that sustainability requirements remain practical, measurable and commercially realistic as South Africa's green procurement framework continues to evolve.

Businesses operating within affected sectors should seek appropriate legal and technical advice to navigate the evolving PPP and procurement landscape, assess regulatory obligations and stakeholder requirements and position themselves competitively within emerging green infrastructure and investment opportunities.

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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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