

Proposed Project Summary for Public Disclosure
(concept review stage)

Project Name	South Africa Municipal Water Supply and Sanitation Program
Country	The Republic of South Africa
Type	Sovereign
Area of Operation	Water & Sanitation
Concept Approval Date	11 July 2023
Total Project Cost	ZAR 27.5 billion
Proposed Limit of NDB Financing	USD 1.0 billion
Borrower	The Republic of South Africa
Project Entity	Department of Cooperative Governance, the Government of South Africa
Project Context	Lack of infrastructure is a key issue impacting delivery of water and sanitation services in municipalities in South Africa (SA). About 25% of households in SA do not have access to piped water and 16% of households do not have access to improved sanitation services. The National Water and Sanitation Master Plan 2030 formulated by the Government of SA estimates that the water supply and sanitation sector will require an investment of ZAR 90 billion (USD 5.0 billion) per annum. While a large portion of these investments is earmarked for large water bulk transfer projects implemented by national level institutions, capital expenditures at the lowest level are carried out by municipal authorities from their own funds and grants received from the national government, including the Municipal Infrastructure Grant (MIG).
Project Description	MIG is the largest infrastructure conditional grant to municipalities in SA, which is provided to non-metropolitan municipalities to eradicate infrastructure backlogs in poor communities and ensure provision of basic services such as water, sanitation, roads and community lighting. The Program will target interventions in the water and sanitation sector financed from MIG over a period of three years from FY2024-26. The key interventions under the Program are as follows: Component 1: Construction/refurbishment of water supply infrastructure Component 2: Construction/refurbishment of sanitation infrastructure Component 3: Institutional capacity enhancement

Project Objective

The Program outcome starting from FY2027 will be i) increase in access to reliable and safe drinking water, and ii) increase in access to sanitation facilities.