

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Municipal Water Supply and Sanitation Program in South Africa
Country	The Republic of South Africa
Type	Sovereign
Area of Operation	Water & Sanitation
Concept Approval Date	11 July 2023
Financing Approval Date	29 August 2024
Total Project Cost	ZAR 27.03 billion
Initial Limit of NDB Financing	USD 1.00 billion
Current Limit of NDB Financing	USD 1.00 billion
Borrower	The Republic of South Africa
Project Entity	Department of Cooperative Governance
Project Context	<p>Lack of infrastructure is a key issue impacting delivery of water and sanitation services in municipalities in South Africa (SA). About 12% of total households in SA did not have access to piped water, and about 17% of the total households did not have access to improved sanitation services in 2022.</p> <p>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 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 lower level are carried out by municipal authorities from their own funds and grants received from the national government, including the Municipal Infrastructure Grant (MIG).</p>
Project Description	<p>MIG is the largest infrastructure conditional grant to municipalities in SA, which is provided to non-metropolitan municipalities to eradicate infrastructure backlogs and ensure provision of basic services such as water, sanitation, roads and public lighting.</p> <p>Municipal Water Supply and Sanitation Program in South Africa (Program) will focus on the construction/refurbishment of water and sanitation supply infrastructure financed under MIG.</p>
Project Objective	The Program aims to expand provision of basic water and sanitation services in SA, leading to increase in access to reliable and safe drinking water and sanitation facilities. It is estimated to benefit around 0.4 million household.

Implementation Arrangements	The Program will be implemented by the Department of Cooperative Governance which will be responsible for planning and monitoring the physical and financial progress of the Program as well as for achieving its targeted results. Onsite implementation of the Program components will be carried out by the municipalities that are implementing MIG projects.		
Environmental and Social Information	The Program has been categorized as Category B in accordance with the NDB Environment and Social Framework (ESF). The main environmental and social impacts include wastewater sludge disposal, sewage discharge into streams, odor from wastewater treatment plants, handling of chlorine-containing chemicals, land acquisition and servitude registration for water infrastructure, influx of workers and community issues, impacts on cultural heritage resources, and occupational health & safety risks. These impacts and risks will be addressed and mitigated through compliance with the country system requirements and implementation of the Environmental and Social Impact Management Plan to ensure compliance with ESF.		
Financing	The Program will be financed through loan from New Development Bank and counterpart fund from budgetary resources of the Government of SA.		
	Source of Fund	Amount	
	NDB	USD 1.00 billion	
	Budgetary resources	ZAR 8.03 billion	
Contacts	NDB	Borrower	Project Entity
	Public Sector Department	The Republic of South Africa	Department of Cooperative Governance
	Mukund Kumar	Wanga Cibi	Werner Heydenreich
		Wanga.Cibi@treasury.gov.za	Wernerh@cogta.gov.za