

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

Project Name	Magalies Bulk Water Supply Scheme Project
Country	The Republic of South Africa
Type	Sovereign
Area of Operation	Water & Sanitation
Concept Approval Date	12 May 2025
Financing Approval Date	25 December 2025
Total Project Cost	ZAR 8.1 billion
Initial Limit of NDB Financing	USD 205 million
Current Limit of NDB Financing	USD 205 million
Borrower	The Republic of South Africa
Project Entities	Department of Water and Sanitation of South Africa Magalies Water
Project Context	Six neighbouring local municipalities of South Africa’s North West and Limpopo provinces (Bela-Bela, Modimolle-Mookgophong, Mogalakwena, Moretele, Moses Kotane, and Rustenburg) are affected by water shortages evidenced by the current water demand outstripping supply by more than 1.4 times. This imbalance is projected to increase to more than 1.6 times by 2035. The proposed Magalies Bulk Water Supply Scheme Project (the “Project”) is a critical response to address this challenge. By extending pipeline networks, enhancing the capacity of existing pipelines, and expanding water treatment facilities, the Project will ensure reliable and sustainable access to drinking water for 2 million local residents, bridge the supply gap and cater for future demand growth.
Project Description	The Project comprises: Component 1: Moretele North Klipvoor Bulk Water Supply Scheme, which will address water supply deficit in Moretele Local Municipality of North West Province, and Bela- Bela, Modimolle-Mookgophong and Mogalakwena Local Municipalities of Limpopo Province; and Component 2: Pilanesberg Bulk Water Supply Scheme, which will augment bulk water supply to Moses Kotane and Rustenburg Local Municipalities of North West Province.
Project Objective	The Project will supply additional 141 MLD of water to the six municipalities, clearing the current supply deficit of 117 MLD and partially cater for future demand growth. The Project will contribute

	to enhancing access to clean and reliable water for the households of Limpopo and North West Provinces, in line with the key objectives of the National Development Plan and the National Water and Sanitation Master Plan.																	
Implementation Arrangements	<p>Magalies Water (“MW”) will take overall responsibility for implementation of the Project through a dedicated project management unit formed within its organizational structure.</p> <p>Department of Water and Sanitation (“DWS”) will perform monitoring and oversight during Project implementation.</p> <p>The implementation period of the Project is planned for 5 years.</p>																	
Environmental and Social Information	<p>The Project has been classified as Category B in accordance with the NDB Environment and Social Framework (“NDB ESF”).</p> <p>Key environmental and social (“E&S”) impacts are associated with erosion and alteration of natural vegetation due to clearing of land for Project development, labour and social issues due to influx of workers for construction, and occupational health and safety risks during project implementation.</p> <p>Adherence to country systems and implementation of E&S management plans, including the E&S Impact Management Plan, will minimize and mitigate these impacts. Upon successful implementation of these plans, the Project will meet the requirements of NDB ESF.</p>																	
Financing	<p>The Project is to be financed by NDB loan, funds from commercial lenders and counterpart funding from MW and DWS.</p> <table border="1"> <thead> <tr> <th>Source of Funds</th> <th colspan="2">Amount</th> </tr> </thead> <tbody> <tr> <td>NDB</td> <td colspan="2">USD 205 million</td> </tr> <tr> <td>MW</td> <td colspan="2">ZAR 0.30 billion</td> </tr> <tr> <td>DWS</td> <td colspan="2">ZAR 0.38 billion</td> </tr> <tr> <td>Commercial lenders</td> <td colspan="2">ZAR 3.67 billion</td> </tr> </tbody> </table>			Source of Funds	Amount		NDB	USD 205 million		MW	ZAR 0.30 billion		DWS	ZAR 0.38 billion		Commercial lenders	ZAR 3.67 billion	
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