Proposed Project Summary for Public Disclosure
(concept review stage)

Project Name	uMkhomazi Water Project – Phase 1	
Country	The Republic of South Africa	
Type	Sovereign	
Area of Operation	Water & Sanitation	
Concept Approval Date	5 August 2026	
Total Project Cost	ZAR 43.9 billion	
Proposed Limit of NDB Financing	USD 731 million	ZAR 4 billion
Borrower	The Republic of South Africa	Trans-Caledon Tunnel Authority
Project Entities	Department of Water and Sanitation of South Africa Trans-Caledon Tunnel Authority uMngeni-uThukela Water	
Project Context	The water supply across six KwaZulu-Natal municipalities – eThekwini, uMsunduzi, uMgungundlovu, Ugu, iLembe and Harry Gwala (the Project Area), has been in deficit since 2016 due to underinvestment and sustained urbanization and population growth. The Project Area is home to around 7 million people, generating most of the provincial economic output. It faces severe water curtailments caused by escalating supply interruptions, which have intensified since late 2024 and culminated in the introduction of an emergency rationing plan in March 2026, exposing a persistent water supply gap. The Department of Water and Sanitation of South Africa has proposed the uMkhomazi Water Project to augment water supply and safeguard water security in the Project Area.	
Project Description	The Project comprises: Component I. Raw Water Augmentation: Construction of a storage dam, a conveyance tunnel and a gravity-fed pipeline connecting the tunnel outlet directly to the water treatment plant (WTP). Component II. Potable Water Delivery: Construction of a WTP, and a potable water pipeline to connect the WTP to the bulk potable water distribution network.	
Project Objective	The Project aims to augment bulk water supply to the municipalities in the Project Area, in line with the National Water and Sanitation Master Plan and National Water Policy White Paper, which prioritize immediate actions to secure bulk water supply and reduce the existing deficit. The main outcome envisioned under the Project is an	

	additional 210 million cubic meters per year of potable water supplied to the Project Area.