

AU-AIP AFRICA WATER INVESTMENT SUMMIT 2025

13 - 15 August 2025
Cape Town, South Africa



AU AIP WATER INVESTMENT SUMMIT: PROJECT SHOWCASE

PROGRAMME/ PROJECT OVERVIEW	
Project name	Lusikisiki Regional Water Supply Scheme: Zalu Dam
Location (Country, Region, Coordinates)	Republic of South Africa Eastern Cape Province; 31° 18' 55" S and 29° 28' 37" E
Involved countries (if regional)	N/A
Sub-Sector	Water Supply & Irrigation
Project description (Goals and expected outcomes)	The construction of a dam on the Xura River near Lusikisiki to meet the projected growing water requirements of the town of Lusikisiki and surrounding villages, to prevent further degradation of the riverine ecosystem and to make water available for the establishment of smallholder subsistence farming.
Technological details/ innovation	Dam Classification: Category 3 Dam type: Roller compacted concrete Height: 35 m Embankment crest width: 6 m Non-overspill crest: 629 masl Full supply level: 622.6 masl Gross storage capacity: 17.3 million m ³
Governance improvements / innovation	Water security and water allocation reform through the allocation of water to resource-poor farmers
IMPLEMENTATION & KEY PLAYERS	
Lead institution	Department of Water & Sanitation
Implementing agent(s)	Department of Water & Sanitation
Sponsors / Investors / Contractors / Advisors	Department of Water & Sanitation
PROJECT TIMELINE & DEVELOPMENT STAGE	
Year of preparation, estimated start & end dates	Year of preparation: 2017 Estimated Start Date: November 2025 (currently under review) Estimated End Date: November 2029 (currently under review)
Current development stage	Design Development
PROJECT RATIONALE & STRATEGIC IMPORTANCE	
Alignment with national/regional plans, SDGs, Agenda 2063	<ul style="list-style-type: none"> Supports National Development Plan (NDP) and is consistent with National Water Resource Strategy; Aligns with SDGs 1, 2, 6, 8, 9 & 10; Supports Goals 1, 4, 5 & 7 of Agenda 2063
Contribution to NDC's and alignment with NAPs / Adaptation and Mitigation measures	N/A
Paradigm shift potential (scalability, replicability, policy or behaviour change)	N/A
FINANCIAL & INVESTMENT DETAILS	
Total project cost, currency	US\$ 62 million
Funding already raised (amount & sources)	US\$ 16 million (SA Government Appropriations for Department of Water & Sanitation)
Proposed revenue model	Bulk raw water sales to municipal off-takers and irrigators with tariffs

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	based on Department of Water & Sanitation's Raw Water Pricing Strategy	
Financial metrics (IRR, Payback Period, DSCR, NPV) available? Y/N, date	N	
Economic performance (Benefit-Cost Ratio) Y/N, date	N	
INVESTMENT ASK & WAY FORWARD		
Remaining investment required: project component & type	Project Component: Dam and appurtenant works Investment required: Grant	
Opportunity for bundling with other projects (Y/N, date)	Y (Lusikisiki Regional Water Supply Scheme: Bulk Water Infrastructure)	
Next steps	Secure project funding, Complete design development, Undertake pre-construction activities	
TARGET GROUPS & SOCIAL IMPACT		
Direct beneficiary population per project component (if available, please provide estimated by income status, gender, ethnicity and/or other status, and numbers of each)	<u>Ngquza Hill and Port St Johns Local Municipalities</u> Population (No.): 463 937 Total Households (No.): 87 869 Human Development Index: 0.40 Household Income (R/month): R3 003.59	
Social & gender impact assessment (Y/N, date)	Y (March 2015)	
Job creation estimate / local economic benefit assessment (Y/N, date)	Y (February 2014)	
SUSTAINABILITY & ENVIRONMENTAL ANALYSIS		
Environmental compliance & climate assessment (Y/N, date)	Y (June 2015)	
Environmental impact assessment (Y/N, date)	Y (June 2015)	
ESG performance (Y/N, date)	Y (June 2015)	
Safeguards & community engagement (Y/N, date)	Y (June 2015)	
RISK MANAGEMENT		
Main risks & mitigation measures (Political, Legal, etc)	Risk Description	Mitigation Measures
	Expiry of Environmental Authorisation	Amendment of Environmental Management Programme
	Insufficient funding	Source additional funding
Constraints or bottlenecks to finance	SA Government fiscal constraints	
CONTACT INFORMATION		
AIP Secretariat	info@aipwater.org	