

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	
Programme name	South Africa Municipal Non-revenue Water (“NRW”) Programme
Location (Country, Region, Coordinates)	South African Municipalities
Involved countries (if regional)	N/A
Sub-Sector (Water Supply, Sanitation, Irrigation, Flood Management..)	Municipal Non-Revenue Water Water Conservation & Water Demand Management
Project description (Goals and expected outcomes)	The Non-Revenue Water (“NRW”) Programme, is a priority programme that leverages private sector funding and technical expertise through performance-based contracts to reduce water losses, improve municipal revenue and viability, and enhance water security and sustainability.
Technological details/ innovation	The NRW Programme deploys a combination of technical and commercial interventions (including active leak detection, pressure management, meter auditing and replacement, flow limiting devices, and digital monitoring tools) implemented by performance-based contractors (“PBC”) to reduce physical losses, improve billing accuracy, and enhance overall system efficiency and municipal cost recovery
Governance improvements / innovation	The National Water Partnerships Programme (NWPP), established by DWS, SALGA, and DBSA to enable private sector investment in water infrastructure, is implemented through the Water Partnerships Office (WPO)—a ring-fenced entity within DBSA operating independently under a Master Framework Agreement and governed by an Oversight Committee and project-specific steering and approval committees to ensure strategic, transparent delivery of programmes like the NRW Programme.
IMPLEMENTATION & KEY PLAYERS	
Lead institution	The Water Partnerships Office (“WPO”)
Implementing agent(s)	The Water Partnerships Office (“WPO”)
Sponsors / Investors / Contractors / Advisors	Project specifics will vary, with municipalities as sponsors and private sector preparing, funding, and implementing DMA-focused NRW projects via a PBC approach.
PROJECT TIMELINE & DEVELOPMENT STAGE	
Year of preparation, estimated start & end dates	2024 and onwards
Current development stage	Preparation and design of NRW PBC projects: Project definition and planning, Pre-feasibility studies & Bankable Feasibility studies across a pipeline of projects
PROJECT RATIONALE & STRATEGIC IMPORTANCE	

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Alignment with national/regional plans, SDGs, Agenda 2063	The NRW Programme directly supports South Africa's development priorities and international commitments—particularly SDG 6 targets 6.4 and 6.5—by improving water-use efficiency, reducing losses, and strengthening integrated water resource management, while also aligning with the National Development Plan, National Water & Sanitation Master Plan, and Africa's Agenda 2063 goal of water security for all.
Contribution to NDC's and alignment with NAPs / Adaptation and Mitigation measures	The NRW Programme supports municipalities in fulfilling their constitutional and legislative mandate for efficient, sustainable water service delivery while advancing South Africa's climate goals by reducing energy-related emissions (mitigation) and enhancing water security and resilience to drought (adaptation), in alignment with the Nationally Determined Contributions and National Adaptation Plan.
Paradigm shift potential (scalability, replicability, policy or behaviour change)	The NRW Programme follows a programmatic approach to scaling the effective reduction of NRW in beneficiary municipalities through the use of PBC's. The PBC Contractor is incentivized to provide funding and skills from the private sector to drive targeted NRW reduction interventions, significant cost-savings & revenue enhancement.
FINANCIAL & INVESTMENT DETAILS	
Total project cost, currency	The NRW Programme is estimated to be in excess of USD 500 million
Funding already raised (amount & sources)	Preparation funding of around USD5 million for the design and preparation of NRW PBC contracts in selected municipalities. Further preparation funding required to continue preparation activities
Proposed revenue model	Performance-based contracts (PBCs), whereby the private sector takes on financial risk in implementing NRW interventions in return for a share of the revenues (from savings or additional revenue unlocked), are a means of bringing in private-sector expertise at low financial risk to municipalities. PBC will be the primary commercial model that will be used in SA to address NRW challenges in municipalities
Financial metrics (IRR, Payback Period, DSCR, NPV) available? Y/N, date	To be determined on a project-by-project basis
Economic performance (Benefit-Cost Ratio) Y/N, date	To be determined on a project-by-project basis
INVESTMENT ASK & WAY FORWARD	
Remaining investment required: project component & type (Loan/Equity/Grant/Guarantee/insurance)	<ul style="list-style-type: none"> Project preparation/ technical assistance: Preparation funding (grant or loan) for continued preparation of NRW projects. Implementation: Funding from the private sector (PBC) appointed to perform and execute the NRW projects

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	<ul style="list-style-type: none"> NRW Guarantee instrument to be provided to private sector lenders to appointed PBC contractors as credit enhancement instrument
Opportunity for bundling with other projects (Y/N, date)	Project dependent but has to be a targeted NRW intervention with preference for a PBC approach
Next steps	Building of the NRW project pipeline: Implementation of bankable/prepared projects & continued preparation of NRW projects. Refer to initial project pipeline below.
TARGET GROUPS & SOCIAL IMPACT	
<u>Direct beneficiary</u> population per project component (if available, please provide estimated by income status, gender, ethnicity and/or other status, and numbers of each)	The NRW projects cuts across all population groups, income levels, gender and ethnicity groups as it includes all municipal water customers and is aimed at reducing physical losses and improving revenues to municipalities.
Social & gender impact assessment (Y/N, date)	To be determined on a project-by-project basis
Job creation estimate / local economic benefit assessment (Y/N, date)	The NRW Programme will implement NRW projects that create opportunities for job creation & local economic benefit through potential loss reduction & cost savings made annual per project.
SUSTAINABILITY & ENVIRONMENTAL ANALYSIS	
Environmental compliance & climate assessment (Y/N, date)	To be determined on a project-by-project basis
Environmental impact assessment (Y/N, date)	To be determined on a project-by-project basis
ESG performance (Y/N, date)	To be implemented at project level
Safeguards & community engagement (Y/N, date)	To be determined on a project-by-project basis
RISK MANAGEMENT	
Main risks & mitigation measures (Political, Legal, etc)	The NRW Programme, part of WPO's standardized programmes with DWS support, will assess and manage risks case by case.
Constraints or bottlenecks to finance	The NRW Programme applies a PBC approach to tackle regulatory delays and low awareness through support, partnerships, and technical help.
CONTACT INFORMATION	
AIP Secretariat	info@aipwater.org

Initial NRW project pipeline:

Project	Municipality	Estimated project value	Stage
PINK PBC project	Ethekwini Metro	USD50m	Preparation

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NRW PBC pilot project	Mangaung Metro	USD30m	Scoping completed Preparing to procure TA
NRW PBC pilot project	Buffalo City Metro	USD55m	Scoping completed Preparing to procure TA
NRW PBC pilot project	Nelson Mandela Bay Metro	USD15m	Scoping completed Preparing to procure TA
NRW PBC pilot project	City of Tshwane Metro	USD20m	Preparation
NRW PBC pilot project	Polokwane	USD20m	Scoping completed Procurement of TA
NRW PBC pilot project	4 Gauteng Municipalities (Merafong LM, Rand West City LM, Mogale City LM, Lesedi LM)	USD20m	Scoping completed Preparing to procure TA