

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	South African Non-Sewered Sanitation Programme
Location (Country, Region, Coordinates)	South Africa
Involved countries (if regional)	N/A
Sub-Sector (Water Supply, Sanitation, Irrigation, Flood Management..)	Sanitation: Non-Sewered Sanitation ("NSS") with a focus on Water-Efficient Sanitation Systems ("WESS")
Project description (Goals and expected outcomes)	A NSS Programme has been established within the Water Partnerships Office to support the development and scaling of innovative off-grid sanitation solutions, including NSS and WESS systems and Reinvented Toilet Technologies (RTTs). The NSS Programme focuses on demand mapping, policy support, and advocacy, while promoting bankable projects, innovative financing, to deliver sustainable and scalable off-grid sanitation services. The intention is to address sanitation backlogs and infrastructure capacity constraints, focusing on informal settlements, schools and new private sector developments.
Technological details/ innovation	Water Efficient/ Non-Sewered Sanitation Systems (WE/NSS) are innovative technologies using less water or no water and often modular, resource-efficient sanitation solutions that treat and recycle blackwater for servicing households, schools, communities, etc. NSS and WESS technologies are typically not connected to a conventional waste water conveyance and centralized treatment system. VIP toilets are excluded due to their lack of integrated safe sludge treatment and management.
Governance improvements / innovation	The National Water Partnerships Programme (NWPP), established by DWS, SALGA, and DBSA to facilitate private sector investment in water infrastructure, is implemented by the Water Partnerships Office (WPO) within DBSA, operating independently under a Master Framework Agreement and governed by oversight and steering committees to ensure strategic and transparent delivery of programmes such as the NSS Programme.
IMPLEMENTATION & KEY PLAYERS	
Lead institution	The Water Partnerships Office
Implementing agent(s)	The Water Partnerships Office
Sponsors / Investors / Contractors / Advisors	Sponsors: Public sector entities such as water service authorities & providers, public enterprises, housing developers, and others Investors: Multilateral development banks, development financiers, and corporate social investors Contractors and advisors: infrastructure advisory consultants for project preparation, and technology- and independent sanitation providers (ISP) for construction, implementation and O&M.
PROJECT TIMELINE & DEVELOPMENT STAGE	
Year of preparation, estimated start & end dates	2024 onwards
Current development stage	Procurement is underway to develop a national strategy for scaling NSS using targeted municipalities, with support to the City of Cape Town and eThekweni Metro as early adopters. Development of a

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	pipeline of short, medium and long-term projects, financing and service models and standardization of contracts, agreements and processes within the public sector.
PROJECT RATIONALE & STRATEGIC IMPORTANCE	
Alignment with national/regional plans, SDGs, Agenda 2063	The NSS Programme supports South Africa's development priorities and global commitments by advancing safely managed sanitation, water efficiency, and wastewater reuse through scalable, decentralized solutions aligned with national plans and contributing to Africa's Agenda 2063 goal of universal, dignified sanitation.
Contribution to NDC's and alignment with NAPs / Adaptation and Mitigation measures	The NSS Programme advances South Africa's climate goals by promoting solutions that align with national climate commitments, while shifting service delivery from municipal models to private sector-driven solutions that address backlogs and foster a resilient sanitation economy through local innovation and job creation.
Paradigm shift potential (scalability, replicability, policy or behaviour change)	The NSS Programme promotes scaling through adaptable, replicable models and leverage innovative financing and private partnerships, driving a paradigm shift toward decentralized, resource-efficient systems with local manufacturing and sustained institutional support.
FINANCIAL & INVESTMENT DETAILS	
Total project cost, currency	The national implementation of the NSS Programme is estimated to be in excess of USD 50 million by 2032.
Funding already raised (amount & sources)	USD 4 997 923 from the Gates Foundation (GF) to fund an effective strategic operational platform to cocreate & operationalize the fast-tracking and large scale adoption of non-sewered sanitation solutions in South Africa.
Proposed revenue model	The NSS Programme's market study will evaluate global and local financing and service delivery models—including blended and climate finance options such as Output-Based Aid, user-pays models, social impact bonds, franchising, ISP models, performance contracts, corporate social investment, and community-based services—to identify the most scalable approaches for implementing and maintaining NSS systems across various market segments.
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	Social Rate of Investment (SROI) to be determined on a project-by-project basis
INVESTMENT ASK & WAY FORWARD	
Remaining investment required: project component & type (Loan/Equity/Grant/Guarantee/insurance)	Project preparation/ technical assistance: Preparation funding (grant or loan). Implementation funding: Grants to subsidize commercial funding & supplement municipal grants for project implementation (grant or concessional loan).
Opportunity for bundling with other projects (Y/N, date)	Yes, the NSS programme can bundle projects across multiple departments and market segments—including schools, informal settlements, social housing, public buildings, private developments, and high-density residential—to support coordinated sanitation service delivery.

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Next steps	Finalization of detailed NSS Scale-Up Strategy & Standardization to enable scaled implementation of NSS within select municipalities in South Africa.
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 NSS Programme prioritizes underserved and vulnerable populations—such as low-income households, women, and learners in quintile 1 schools—by addressing sanitation gaps to ensure equitable access to safe, dignified, and climate-resilient sanitation for all.
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 NSS Programme is expected to generate significant numbers of jobs and boost local economies by fostering local manufacturing, small-scale service providers, and private sector involvement in off-grid sanitation delivery, operation and maintenance.
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 NSS Programme forms part of the WPO standardized programmes with support from the Department of Water & Sanitation. Project specific risks will be identified, and mitigation measures implemented on a case by case basis
Constraints or bottlenecks to finance	Municipalities struggle with sanitation due to high indigent populations dependent on grants, large backlogs due to influx in urban areas, water scarcity, costly and impractical conventional systems—particularly in rural and informal areas—and limited funding and capacity to maintain both traditional and off-grid sanitation.
CONTACT INFORMATION	
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