



KOPANO YA METSI
UNLOCKING WATER INVESTMENT IN SOUTH AFRICA

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#KopanoYaMetsi

Introducing Kopano ya Metsi (meeting for water)

6 September 2017

Maanda Rashaka, NBI



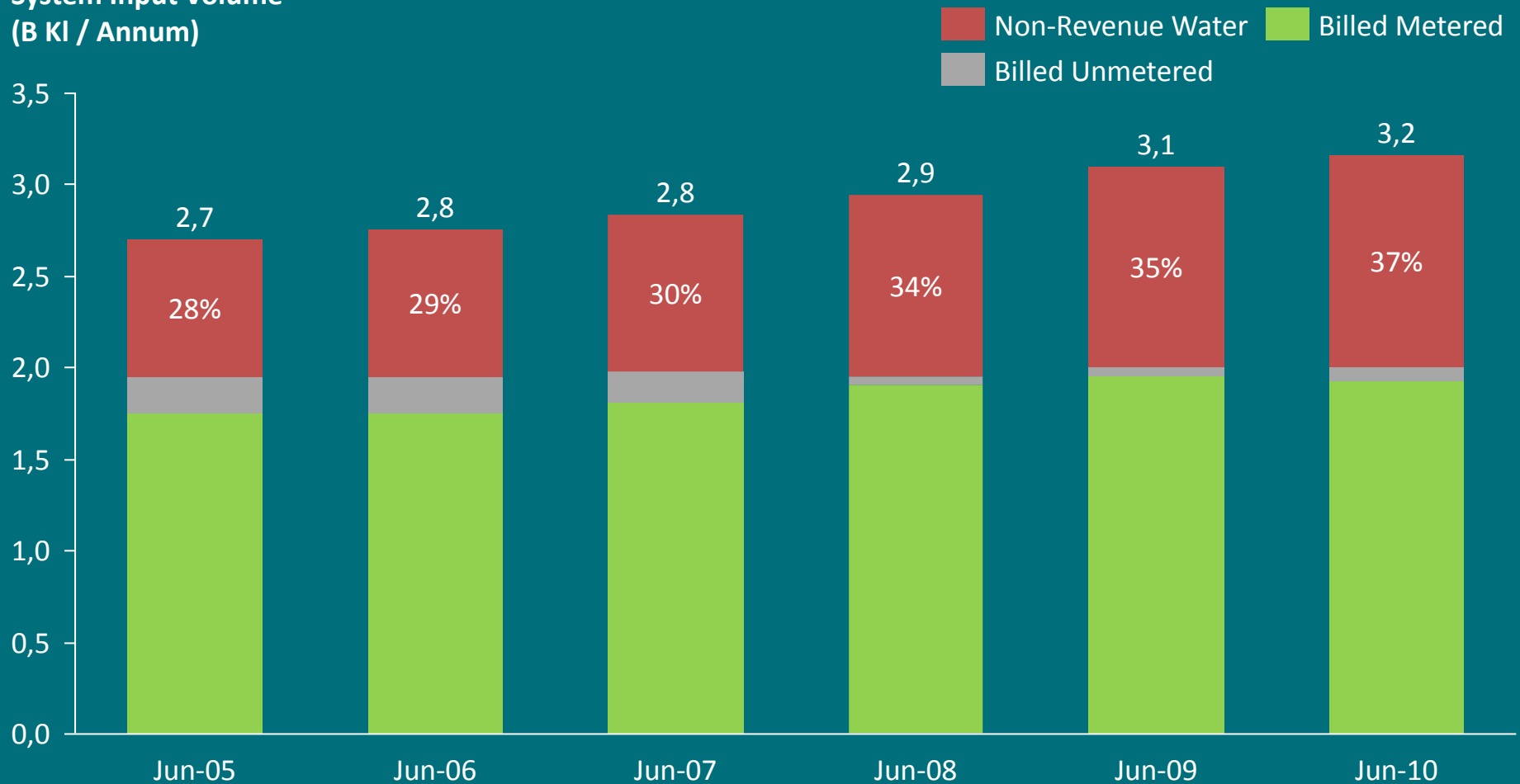
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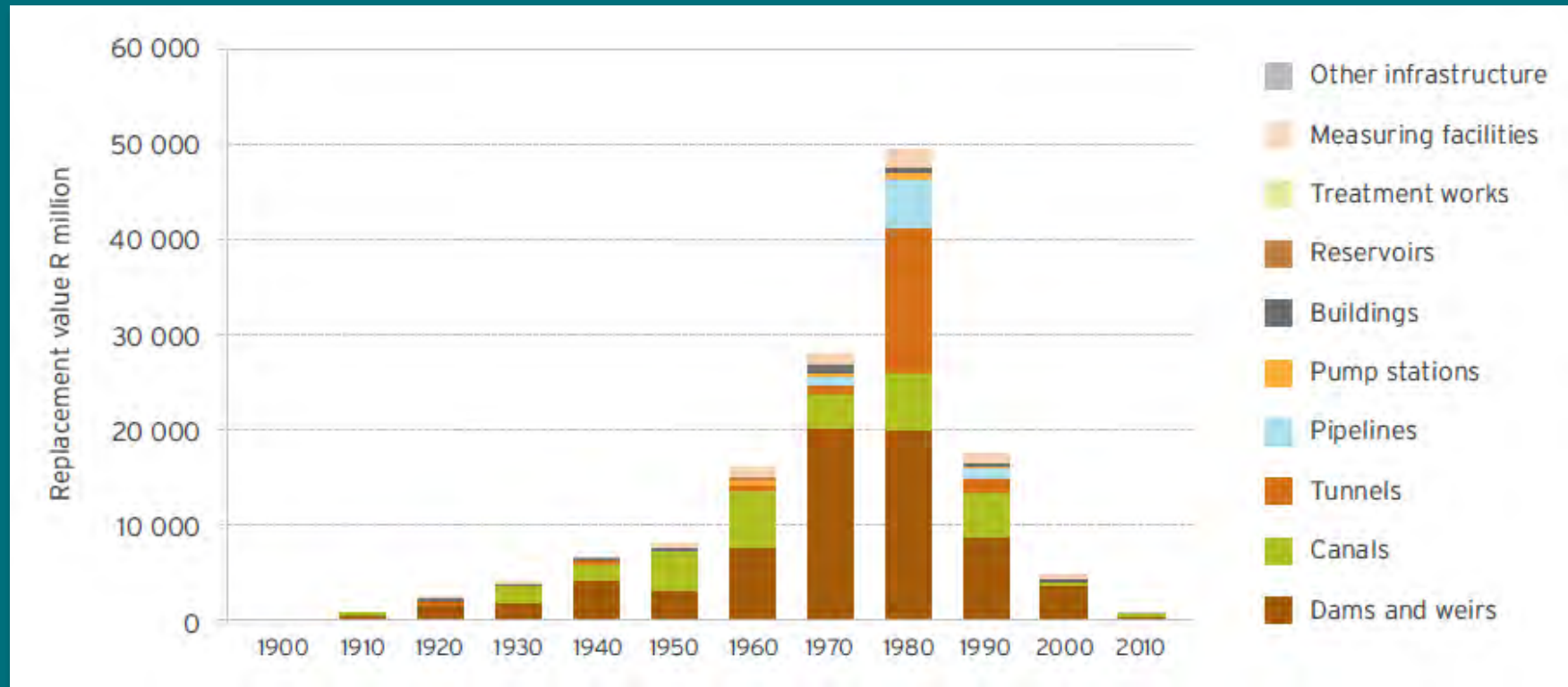
Several challenges impact the South African water sector, including drought and high non-revenue water

System Input Volume
(B Kl / Annum)



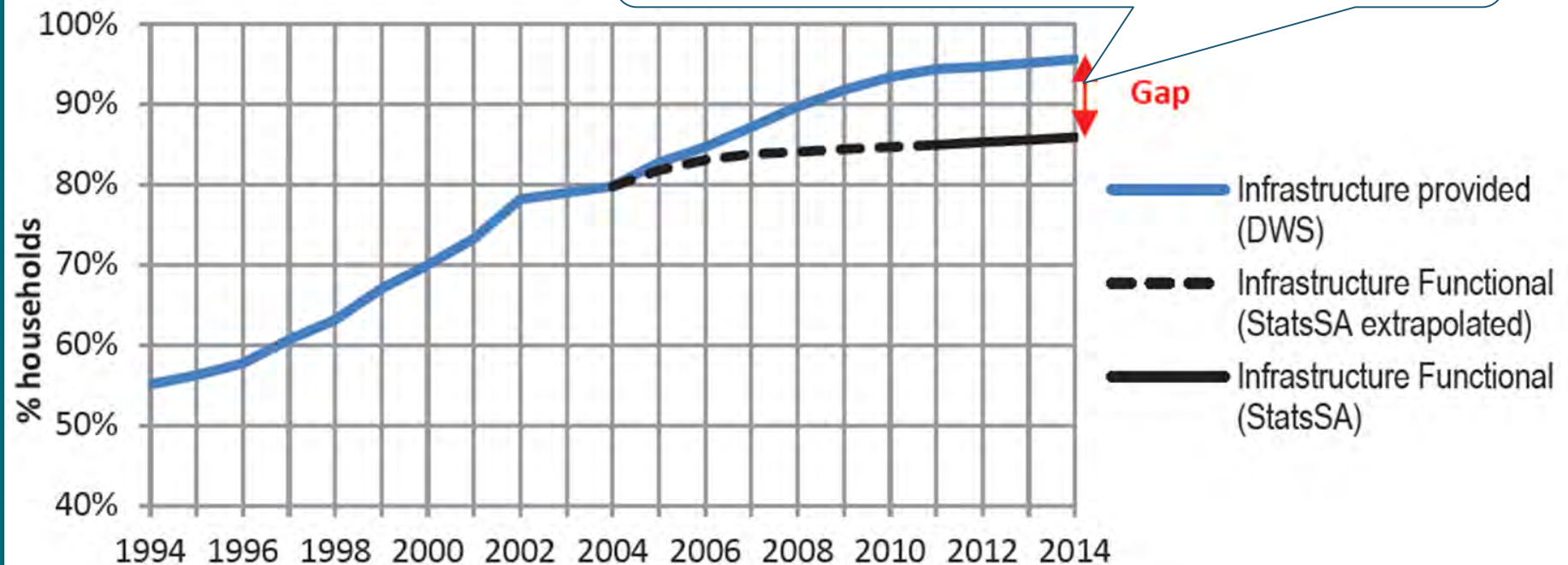
Source: WRC: The state of non-revenue water in South Africa (2012)

Most of South Africa's water infrastructure was built in the 1970s and 1980s; the majority being dams, weirs and pump stations



With infrastructure growing old and too little investment in refurbishment, a functionality gap emerges

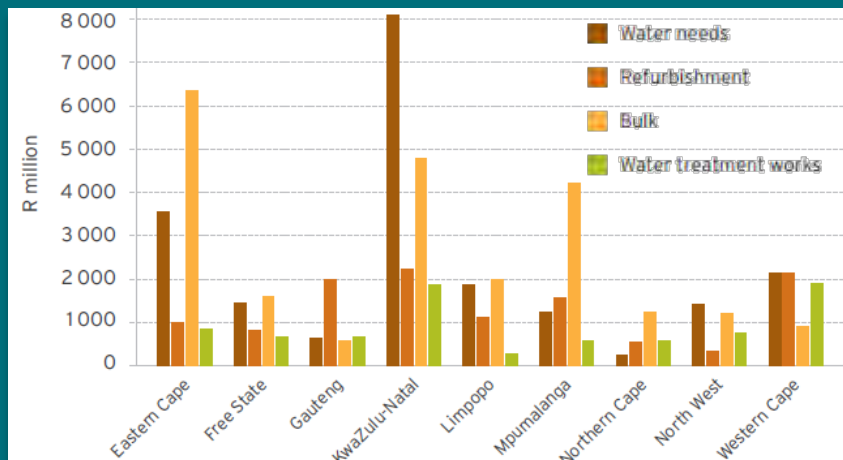
Water functionality gap = Provided infrastructure – functional infrastructure



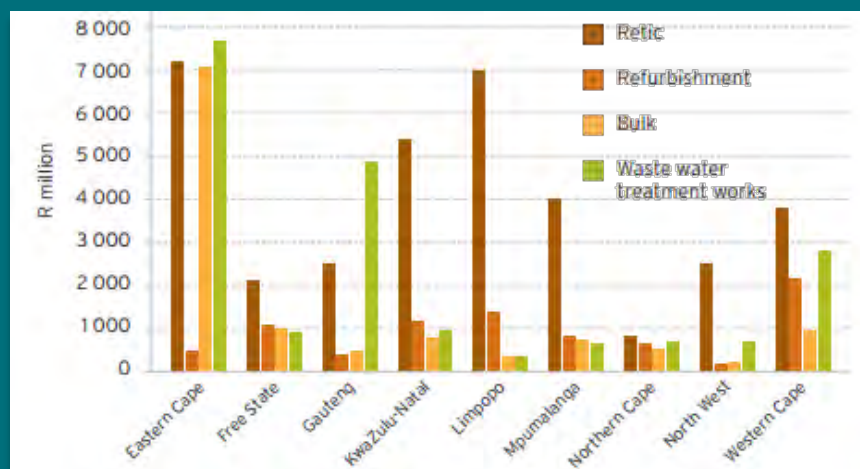
There is an estimated R668 billion investment need, covering both water and wastewater management

The municipal investment need varies across provinces

Water treatment



Wastewater



The national estimated need is R668 billion or R67 billion/year for 10 years.

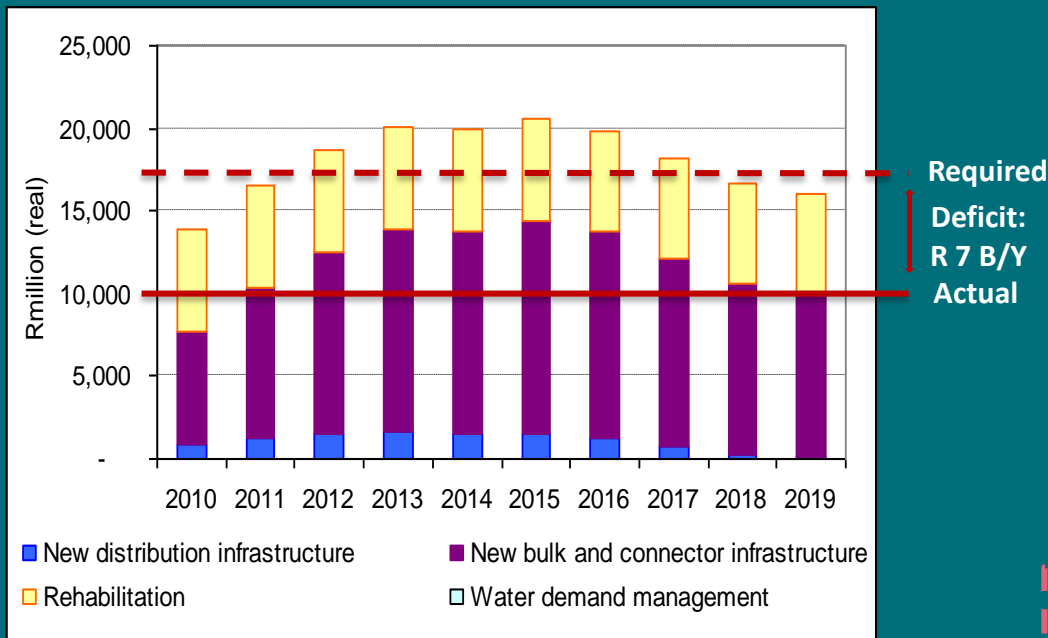
Investment need 2021	New and upgrade	Rehab	Total
Sanitation	90	51	141
Internal	31	40	71
Connector	27	43	71
Local bulk	30	22	52
Region bulk	45	34	79
Non-potable distribution	10	32	42
Water resources	149	64	213
Total	382	287	668

Source: Department of Cooperative Governance & Traditional Affairs (2010); National Investment Framework for the Water Sector (2012) Development Bank of South Africa, The State of South Africa's Economic Infrastructure: Opportunities and challenges, 2012, p. 81; DWS, Strategic Overview of the Water Sector in South Africa 2015, p. 54

There is a financing gap, to which “the private sector will have to contribute substantially”

The Municipal Infrastructure Investment Framework identifies a ~40% gap

The National Water Resource Strategy (NWRS2) identifies a ~60% gap



The financial challenge

Capital investment in new water infrastructure and in the refurbishment of existing infrastructure is projected to require an estimated R670 billion over the next 10 years. Based on industry norms, additional investment of approximately R30 billion will be required for sustainable water management programmes. In total, an amount of R700 billion will be required to be invested by the water sector over the next 10 years, or an equivalent of R70 billion per year.

Currently, only R30 billion per year is being accessed for water sector investment. This includes DWA MTEF allocations, as well as transfers to local government and private sector investments. To put the figures in perspective, the DWA's total budget allocation from the fiscus for 2013/14 is R10.2 billion.

While a portion of the required investment will be provided by the public sector, the private sector will have to contribute substantially. The public sector alone will not have sufficient funds to enable full value chain financial management in the sector.

Private sector investment can be unlocked through Public-Private Partnerships... But these have been relatively rare in recent years





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Kopano ya Metsi will take a stakeholder-led, bottom up approach through expert roundtables and semi-structured interviews



The project will focus on the following areas:

1. Barriers and solutions



2. The legal framework and financing options



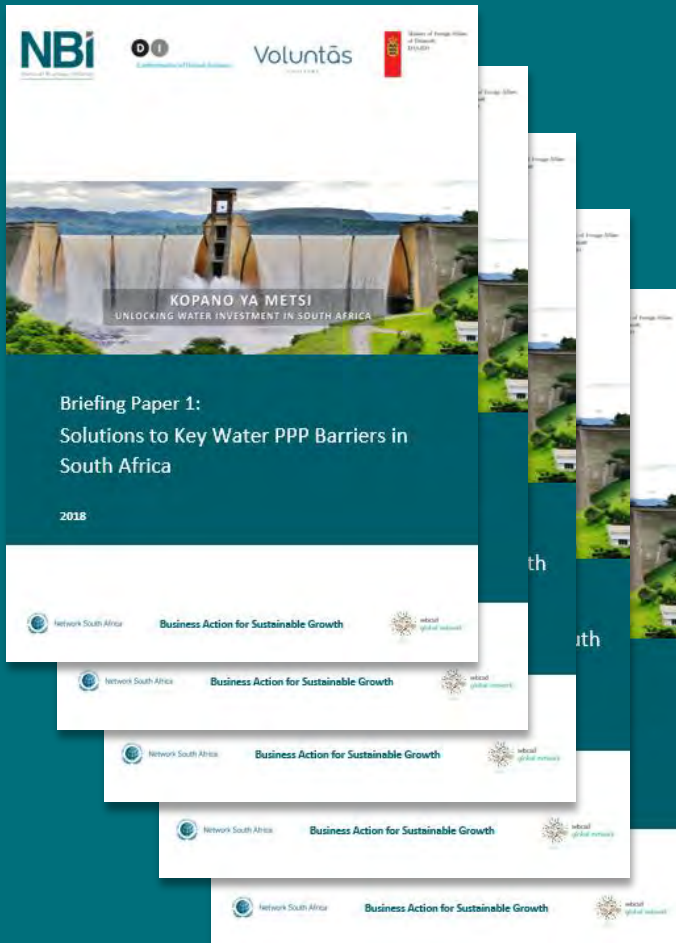
3. Identifying key opportunities across the water value chain



4. Visual dissemination tools



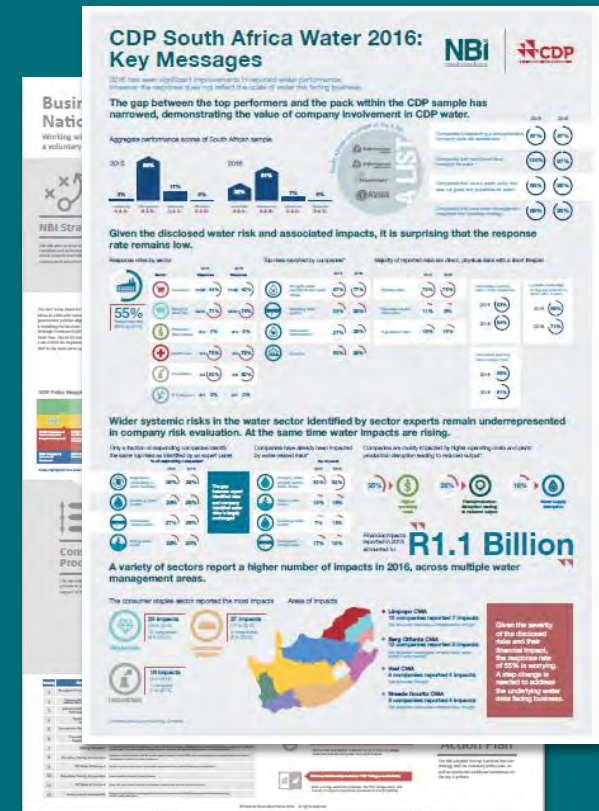
The project will provide a concise set of outputs that summarise each key area of work:



5 Briefing Papers



1 Final Report



2 Summary
Infographics

For more information



Maanda Rashaka

Project Manager: Water, NBI

E: MaandaR@nbi.org.za

T: +27 11 544 6012

M: +27 60 558 8179



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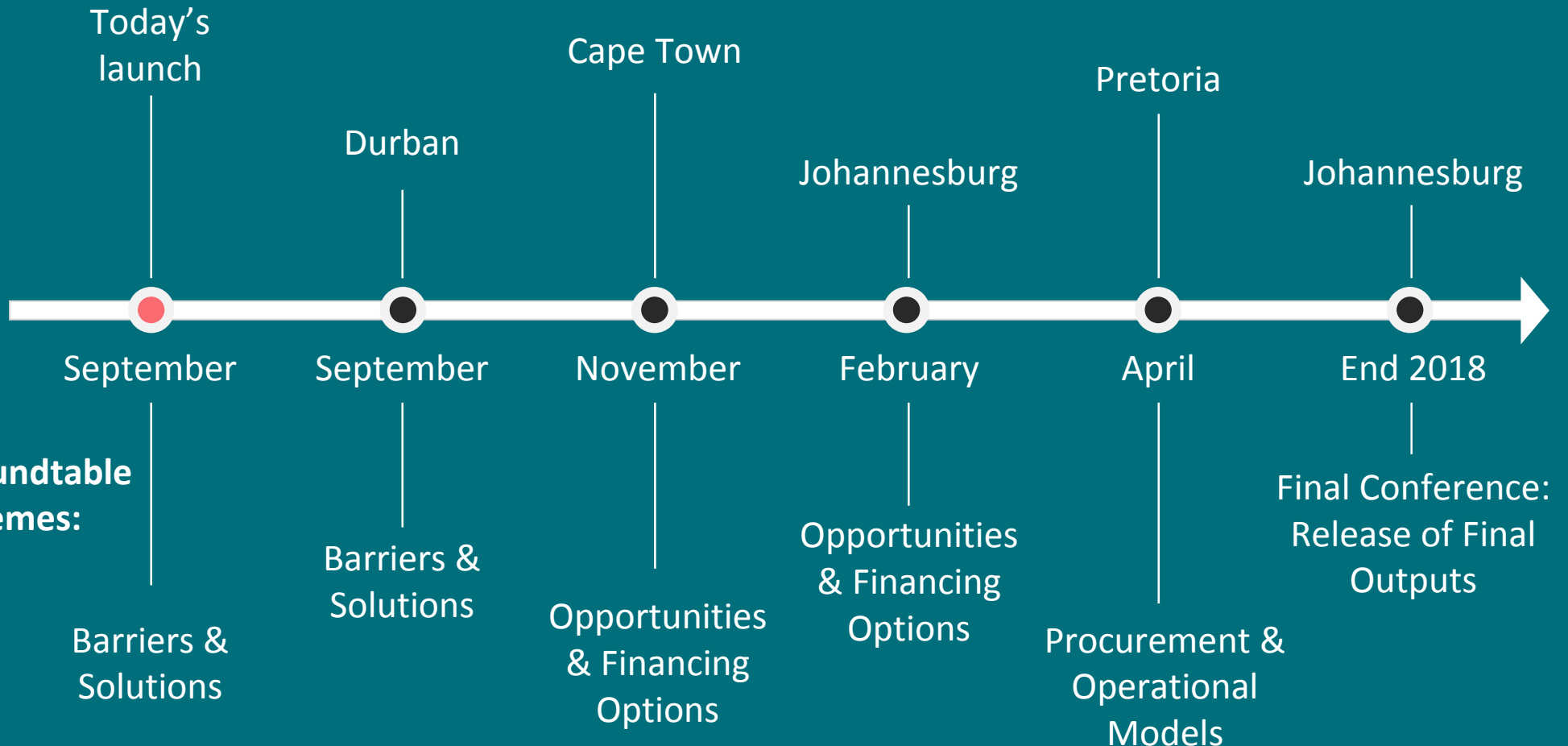
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Project roadmap

2017

2018



Engaging further...

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National Business Initiative

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UNLOCKING WATER INVESTMENT IN SOUTH AFRICA

South Africa faces a looming water crisis: the demand for water already exceeds supply on a national level and is expected to grow to a 3.8 billion litres per day by 2030, roughly seven times the annual water consumption of the City of Johannesburg. In addition, our water infrastructure needs refurbishment, not to mention that a third of the water entering the system today is lost in leaks. Overall, South Africa faces an estimated water infrastructure investment need of R70 billion over the next decade for refurbishment and the expansion of water access. Weather variability compounds this crisis, as droughts for two years have threatened the two most populated Metros in the country (Johannesburg and Cape Town). The South African Constitution recognises the right to water access as a key ingredient for future economic growth. The supply gap and funding shortfall faced by the water sector make both difficult to realise.

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National Business Initiative is a voluntary & progressive coalition of companies shaping a sustainable future through responsible business leadership & action.
South Africa
nbi.org.za
Joined November 2011
241 Photos and videos

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Quick Brief

A news update from the NBI on its programmes, business leadership and issues on sustainable development.

3rd Floor, Building D, Sunnyside Office Park, 32 Princess of Wales Terrace, Parktown, 2193

PO Box 294, Auckland Park, Johannesburg 2006, South Africa

0861 123 624 (0861 123 NBI) | Tel: +27 11 544 6000 | Fax: +27 86 505 5678



The National Business Initiative is a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action. Since our inception in 1995, the NBI has made a distinct impact in the spheres of housing delivery, crime prevention, local economic development, public sector capacity building, Further Education and Training, schooling, public private partnerships, energy efficiency and climate change.

The NBI is a global network partner of the World Business Council for Sustainable Development (WBCSD), the focal point of the United Nations Global Compact (UNGC) Local Network in South Africa and an implementation partner of the CEO Water Mandate, We Mean Business and the CDP.

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Roundtable breakout groups

Group 1	Group 2	Group 3	Group 4
Kevin Wall Trevor Rajnarain Abri Vermeulen Chris Heymans Mzwandile Masina Sylvia Tshivhunge	Jay Bhagwan Antonino Manus Jorgen Erik Larsen James Aiello Rivash Panday Thembi Mtimunye	Valerie Naidoo Laila Horton Mike Peo Leonardo Manus Petrus Van Heerden Zamaswazi Nkosi	Nick Tandi Malcolm Pautz Wernie Comrie Mike Goldblatt Mlu Mahlangu Nandha Govender
Facilitator: Alex McNamara	Facilitator: Mads Frederiksen	Facilitator: Maanda Rashaka	Facilitator: Mathias Esmann