

Investment in the Water Value Chain in South Africa

by

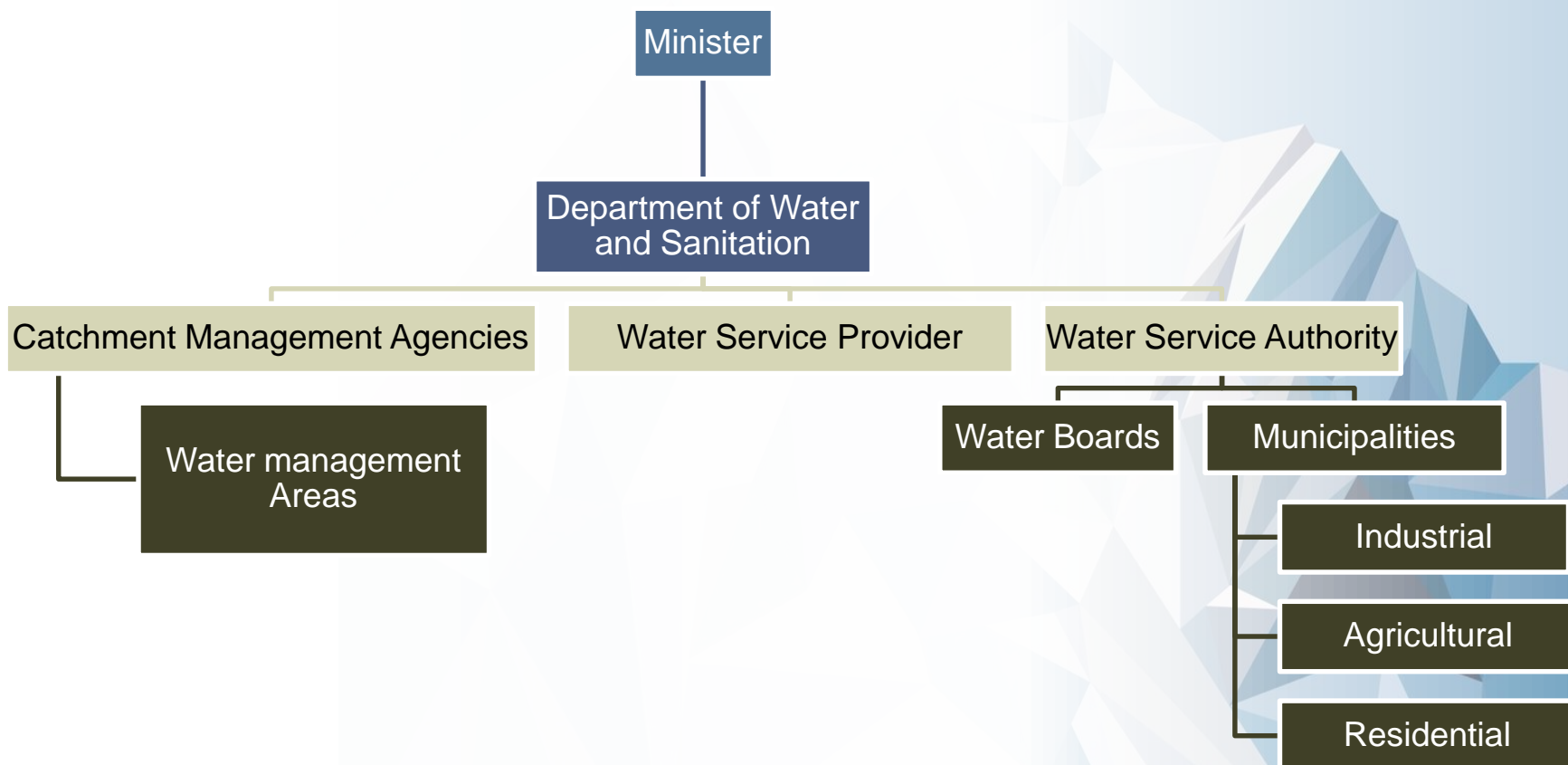
Travis Hough



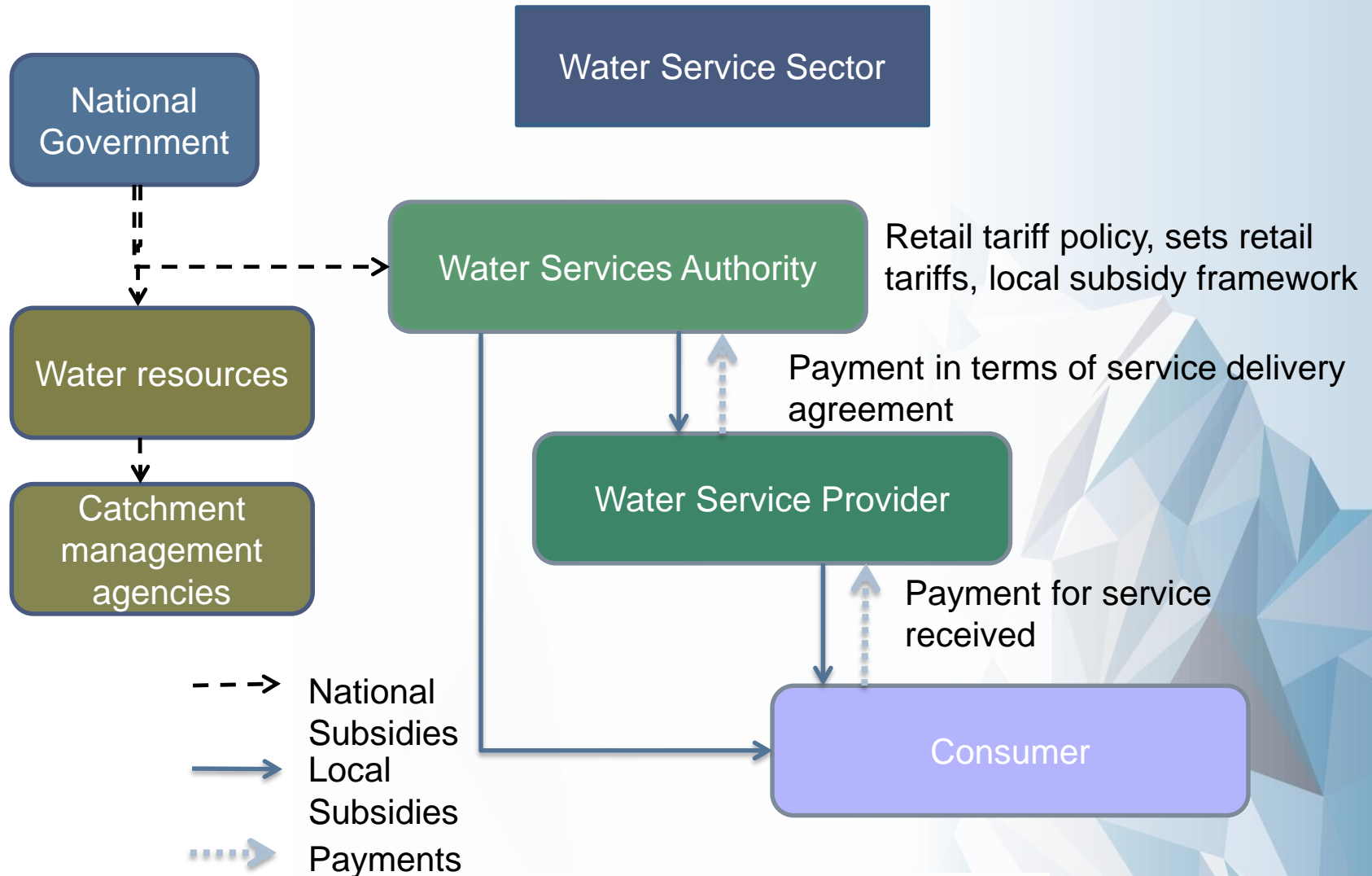
Overview of Water Governance Framework in South Africa

Key Markets Players

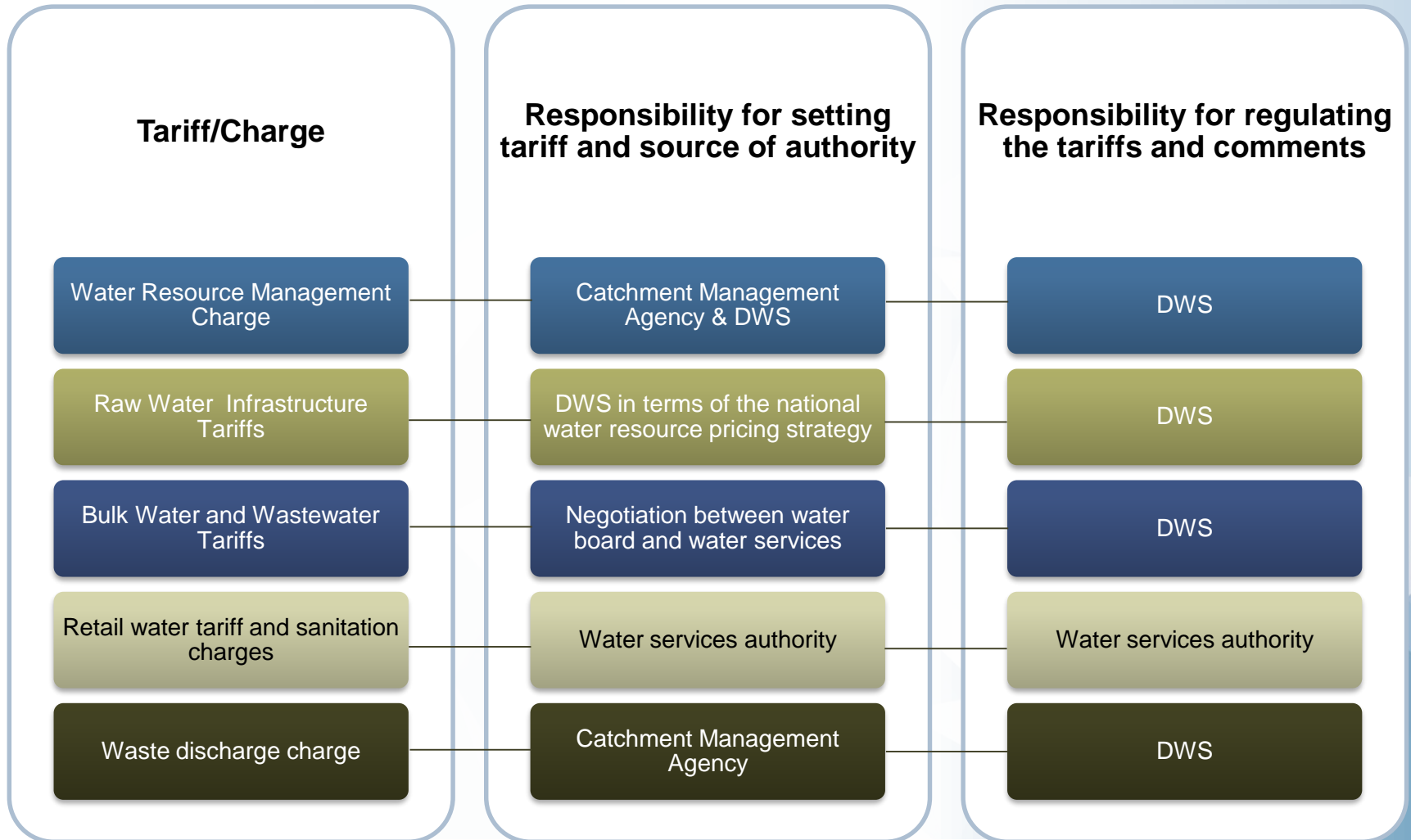
- The Minister of Water and Sanitation oversees several institutions in the water chain
- There are 9 Catchment Management Areas in South Africa (Breede-Gouritz and Inkomati-Usuthu are the only ones operational) and 19 Water Management Areas
- This is further managed by 12 Water Boards



The Financial Framework of South African Water



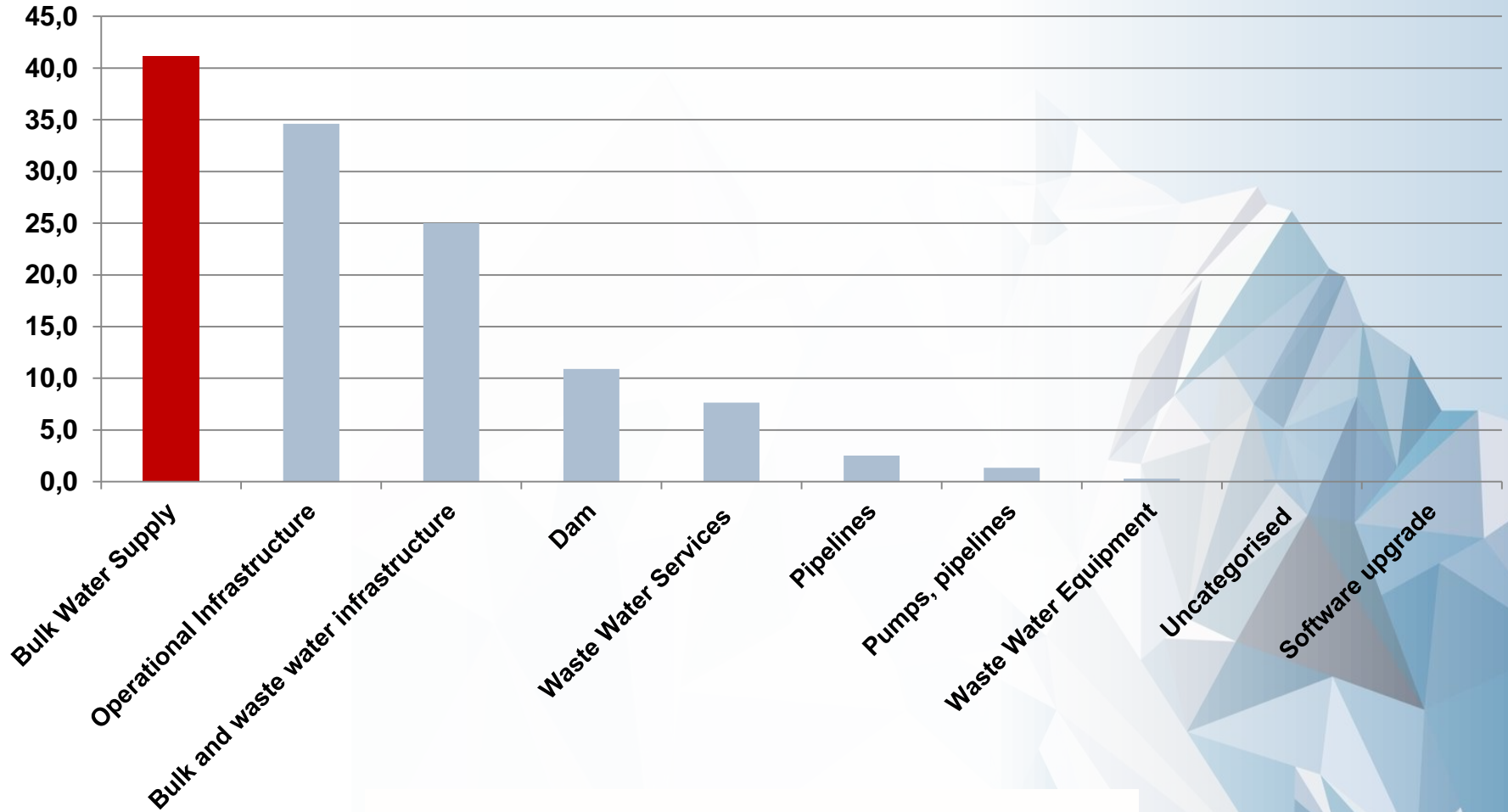
Water Tariffs, Pricing and an Independent Regulator



Investment Opportunities - DWS

Projects targeted by the DWS's 10 year infrastructure and investment plan

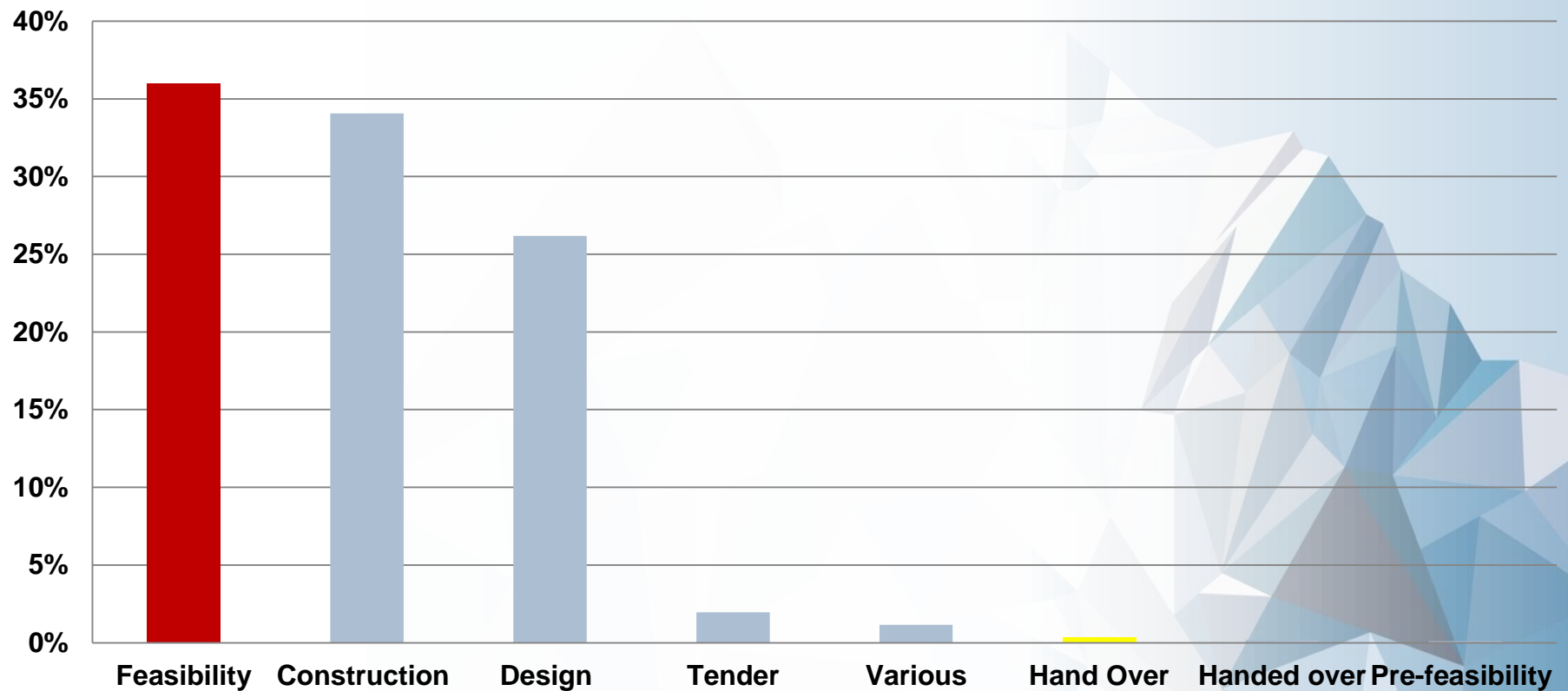
Investment Output – ZAR Billions



Investment Opportunities - DWS

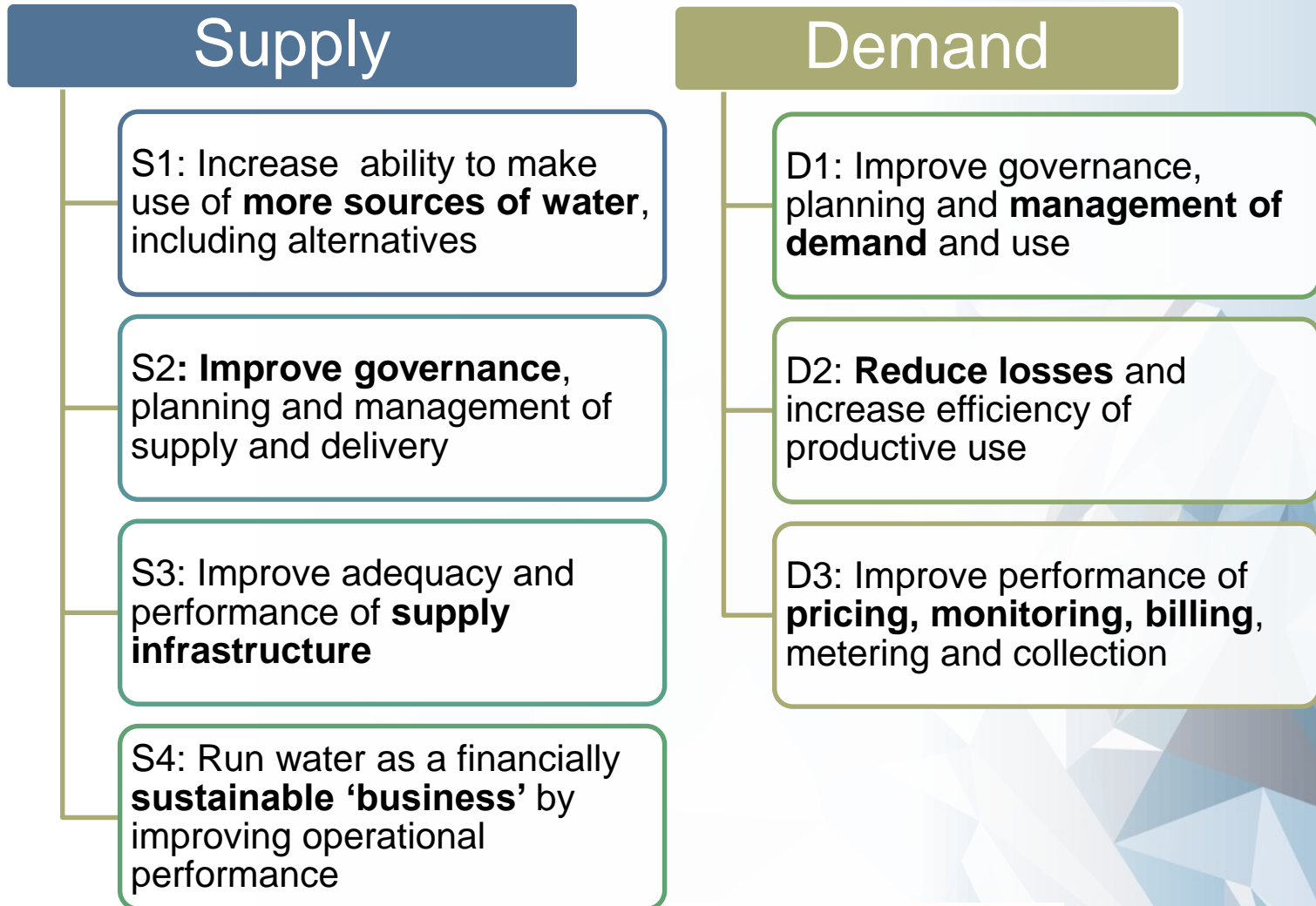
Majority of DWS investments are in the feasibility phase

Stage of Development – Percentage of All Investments



Investment Opportunities - RDI

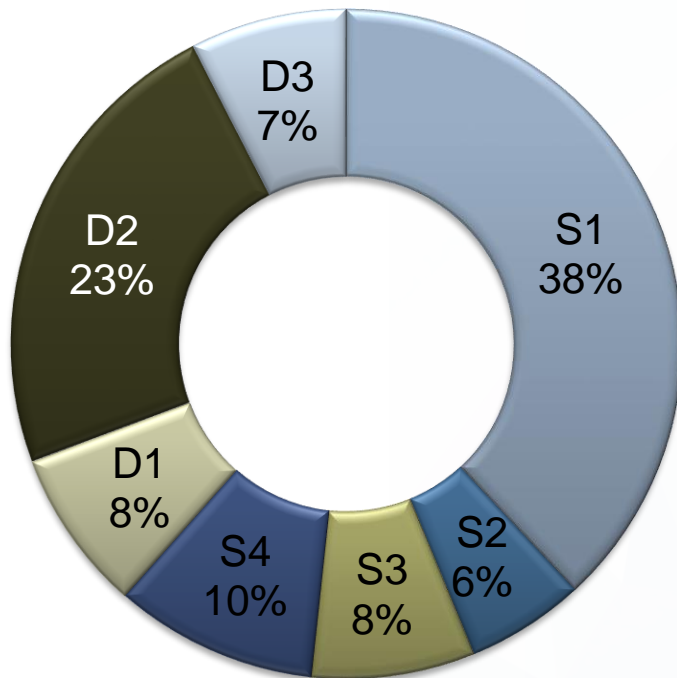
The 10 year RDI Roadmap (2015 – 2025) highlights key areas of research needed to meet the supply and demand shortfalls



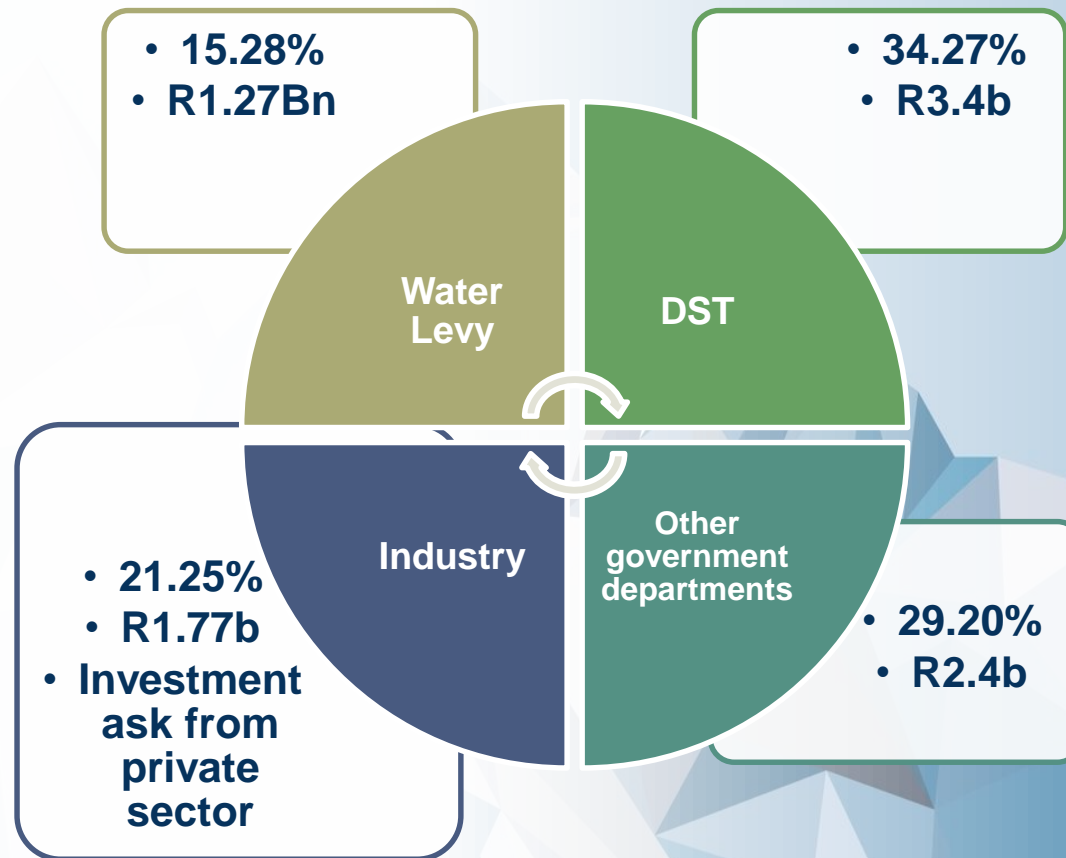
Investment Opportunities - RDI

Sector and Sources of Funding under the RDI Roadmap

Cluster Investment Ask



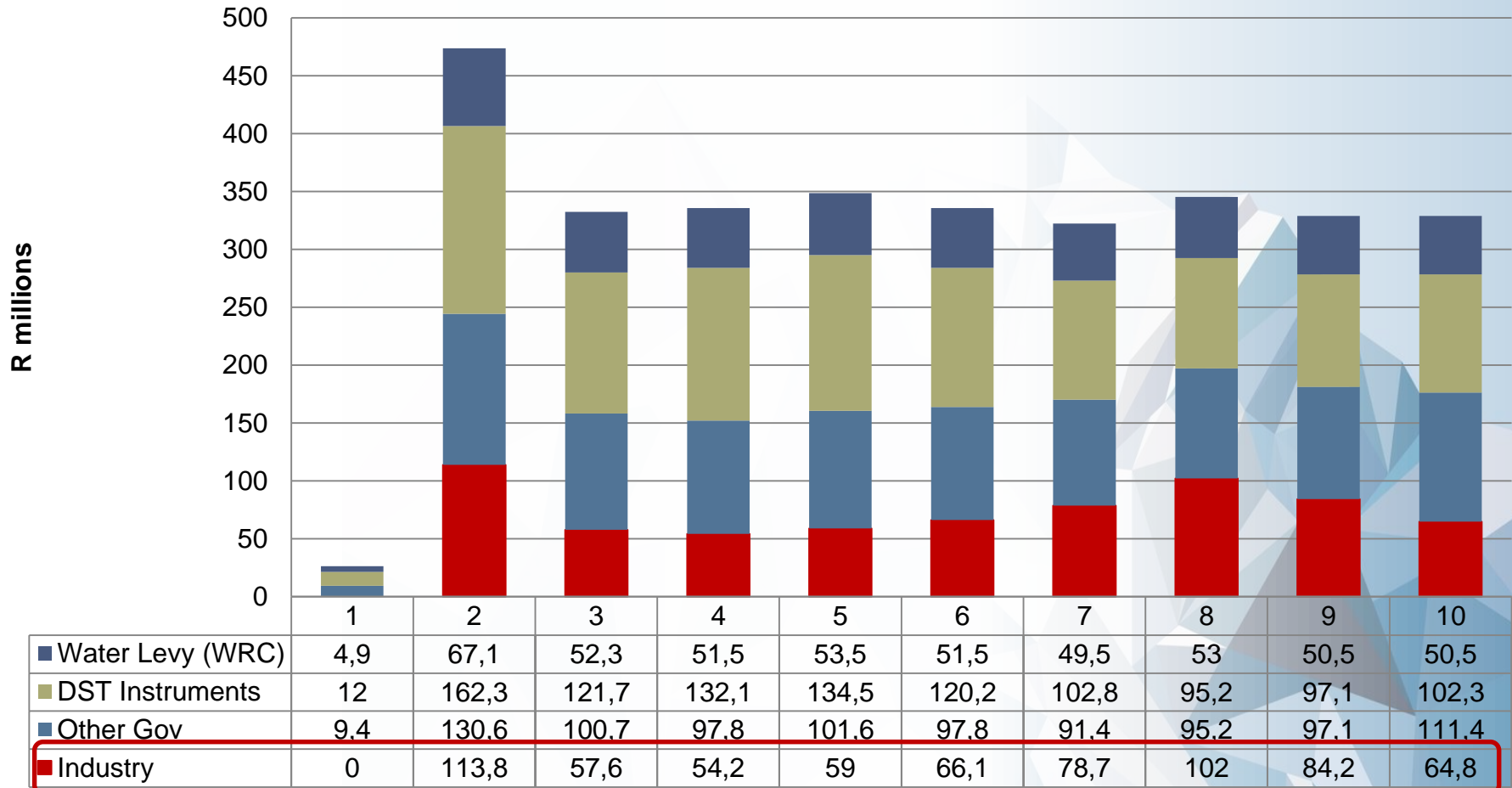
Funding the Road Map by source



Investment Opportunities - RDI

Targeting Supply Cluster 1 which looks to make use of more water sources

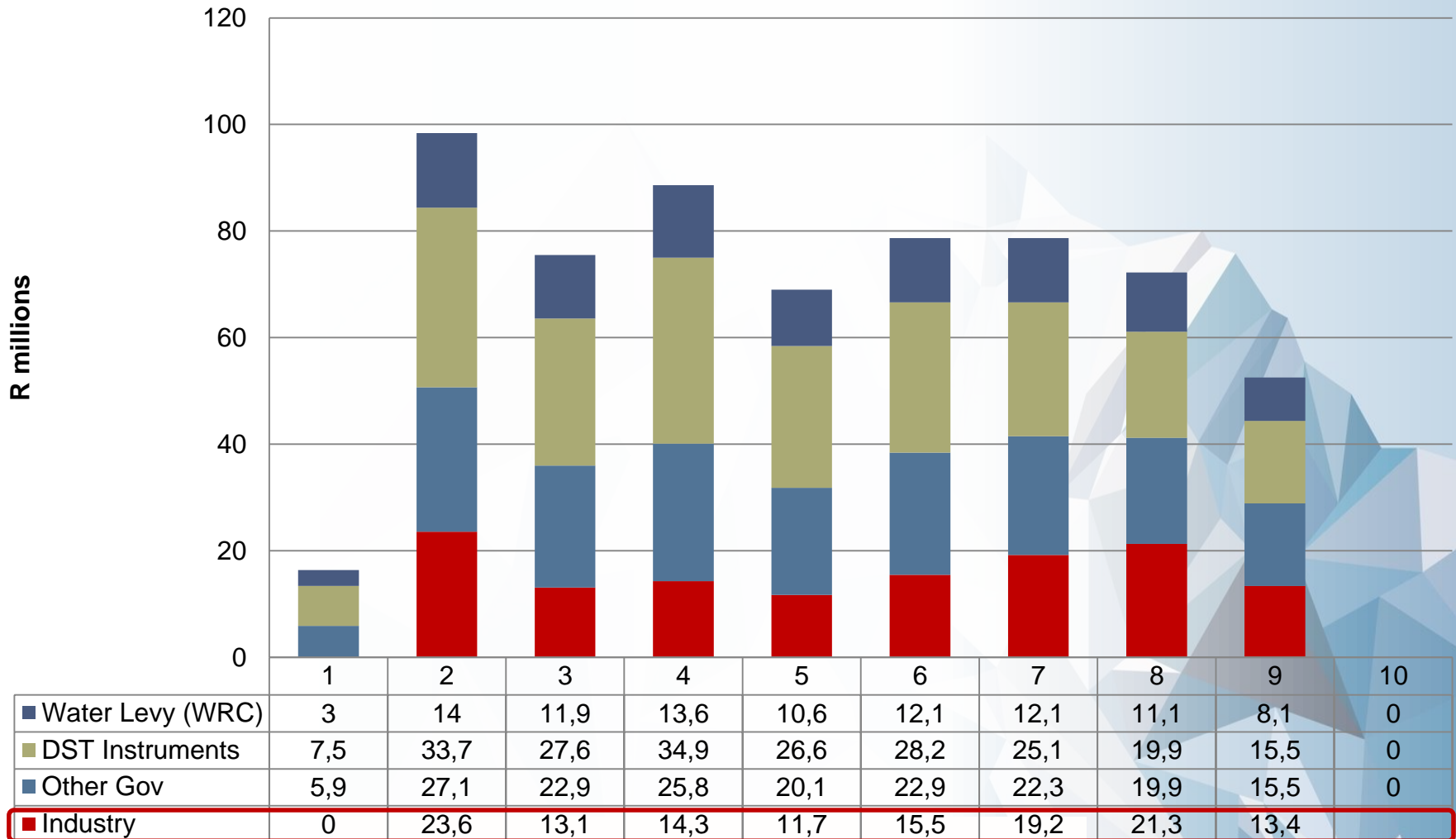
Supply Cluster 1



Investment Opportunities - RDI

Targeting demand cluster 3 which focuses on performance of pricing, monitoring, billing, metering and collection

Demand Cluster 3



Investment opportunities summary

A total of R131Bn to spent over the next 10 years

DWS's 10 year program focuses on **water supply, treatment, dam building and distribution.** Projects range from design to handed-over phase.

Infrastructure and capital plans



Investments focus around bulk water supply and waste water treatment. Projects in the feasibility and hand over phase amount to R17 billion

Total: R123 billion

Research, Development and Innovation



Strong investment potential include water metering, automation and billing on the demand side. Supply side sees desalination and waste water treatment as positive investment opportunities

Total: R8 billion

RDI 10 year Roadmap focuses on 4 supply and 3 demand clusters. The private sector makes up 21% of the total investment required.

Questions

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