

The SADC Water and Sanitation Fund: A Collaborative Approach to Water Security in Southern Africa

The Regional Water and Sanitation Fund in Southern Africa, established through a partnership between the Southern African Development Community (SADC), the German government and the Development Bank of Southern Africa (DBSA), aims to enhance water sector coordination and develop essential water and sanitation infrastructure across the region. Launched in 2012, this initiative serves as a vital instrument for channeling (international) contributions to the water sector in the SADC region, ultimately striving to provide affordable and sustainable access to safe water for the region's underserved populations.

Funding and Support

The German government has played a pivotal role in financing the Regional Water and Sanitation Fund, ensuring that the necessary resources are available for impactful projects. Since 2012, Germany has committed a total of EUR 45 million to the Fund. Germany implements this grant via the DBSA, who is acting as the project executing agency, and is responsible for managing the Fund through its dedicated project implementing unit (PIU). This role encompasses the identification of promising projects, the oversight of their implementation, and the pursuit of new funding sources to expand the Fund's financial foundation. This collaborative effort underscores the commitment of SADC and its partners to address the pressing water challenges faced by member states. The Fund is open for investments from other (international) partners.

Application Procedures and Decision-Making Criteria

Member states interested in accessing funding from the Regional Water and Sanitation Fund must adhere to specific application procedures and decision-making criteria.

The SADC Water Fund focuses on selecting projects that are implementation-ready, strategically aligned with regional water sector objectives, and capable of delivering pro-poor and transboundary benefits and fiduciary responsibilities. Projects are expected to have completed either concept, pre-liminary feasibility studies, feasibility studies.

The selection process is primarily driven through a pipeline development mechanism, which includes both solicited and unsolicited proposals. In the case of solicited opportunities, the Fund proactively identifies high-priority investments through engagement with regional water infrastructure plans and government partners. The unsolicited route allows eligible investees to submit proposals on a rolling basis, provided they meet the Fund's eligibility criteria and documentation standards.

Eligible projects under the SADC Water Fund must fulfill the following criteria:

- Projects must have a pro-poor impact
- Projects are part of an integrated national or regional water masterplan
- Projects are aligned with the integrated water resources management concept
- Environmental and social impact assessment aspects are considered
- Projects aligned with NEXUS approach
- A minimum contribution of ten percent (10%) of the total cost of the proposed investment by the project owners will be a mandatory requirement, ensuring ownership and commitment. This contribution will exclude any tax-related implications.

The application should include the following information:

- Application letter
- Project name
- Contact details of the organization
- Project description
- Project objective
- Geographical coverage
- Current project stage
- Project stage (for which the SADC Water Fund support is required)
- Development impact
- Cost of the project
- A full project background consisting of technical details, financial position, economic impact and benefits, the institutional set-up of the proposed project, the environmental impacts and benefits of the proposed project.

Projects Applications can be submitted to the SADC Water Fund (SADCWaterFund@dbsa.org).

Once submitted, proposals undergo an initial compliance check to confirm documentation quality and completeness. The Fund Management Unit (FMU), housed within the DBSA, is responsible for conducting the appraisal process. This includes an early assessment report (EAR), technical and financial due diligence, and the preparation of an appraisal report (AR) for review by the Project Management Board.

The selection process evaluates project sponsor capacity, technical quality, cost efficiency, financial sustainability, regional integration, adherence to Integrated Water Resources Management (IWRM) principles and NEXUS principles. Only projects that clearly align with the Fund's impact and eligibility criteria will be listed in the Fund's pipeline list and progress to funding agreements and eventual disbursement once funding sources have been identified and confirmed.

Who is eligible to apply: All SADC member states public institutions are eligible to apply to the SADC Water Fund, provided that the proposed project promotes economic development, regional integration, and poverty alleviation within the region.

Funded Projects and Future Prospects

To date, the Regional Water Fund has earmarked financing for three significant projects: the Kazungula Water Supply Project in the Zambian border town Kazungula, the Lomahasha-Namaacha cross-border Water Supply Project between Eswatini and Mozambique, as well as the Ramotswa Transboundary Aquifer project between Botswana and South Africa.

1. **Kazungula Water Supply Project:** Located in a border town where Zambia, Botswana, Zimbabwe, and Namibia converge, this project aims to construct water treatment facilities and a reticulation network to serve a growing population. The project's strategic location is particularly noteworthy, as it follows the construction of a new cross-border bridge over the Zambezi River, which enhances connectivity between Zambia and Botswana, thereby facilitating the regional North-South trade corridor.

This development will enable the town to meet the growing demand for water and sanitation services for both local residents and transient populations. With the project's

completion, it is anticipated that approximately 12,500 individuals will benefit directly from the newly constructed infrastructure. Additionally, the transient population will also gain indirect benefits from these enhancements, as the improved water and sanitation services will cater to their needs while they are in the area.

The project was officially inaugurated in a formal opening ceremony organized by the Zambian Presidency in May 2025.

2. **Lomahasha-Namaacha Cross-Border Water Supply Project:** This initiative addresses the water supply challenges faced by the mountainous border towns of Lomahasha (Eswatini) and Namaacha (Mozambique). The project includes the installation of rising mains, construction of reservoirs, and rehabilitation of distribution systems, ensuring reliable water access for local populations and those in transit. The construction of the works commenced in October 2024, and the current progress stands at approximately 25%. According to the current timeline, the construction is expected to be completed by September 2026, marking a significant step forward in enhancing water supply infrastructure in the region.
3. **Ramotswa Transboundary Aquifer Project:** The Ramotswa project addresses the pressing challenge of groundwater contamination in the cross-border aquifer, which has led to inadequate water supply for the community. Given that the initially proposed technical solution of in-situ remediation of the aquifer involves considerable risks and that a complementary sanitation component is essential for reducing the sources of groundwater pollution – addressing a vital sustainability issue – a need for an additional study to create an alternative project design exists. This study is envisioned to be financed with funds from SADC's project preparation facility, the SADC PPDF.

In conclusion, the Regional Water Fund represents a significant step towards achieving water security in Southern Africa, fostering collaboration among member states and ensuring that vulnerable communities gain access to essential water and sanitation services. Through the ongoing support of Germany via KfW and the dedication of SADC and DBSA, the fund is poised to make a lasting impact on the region's water landscape.