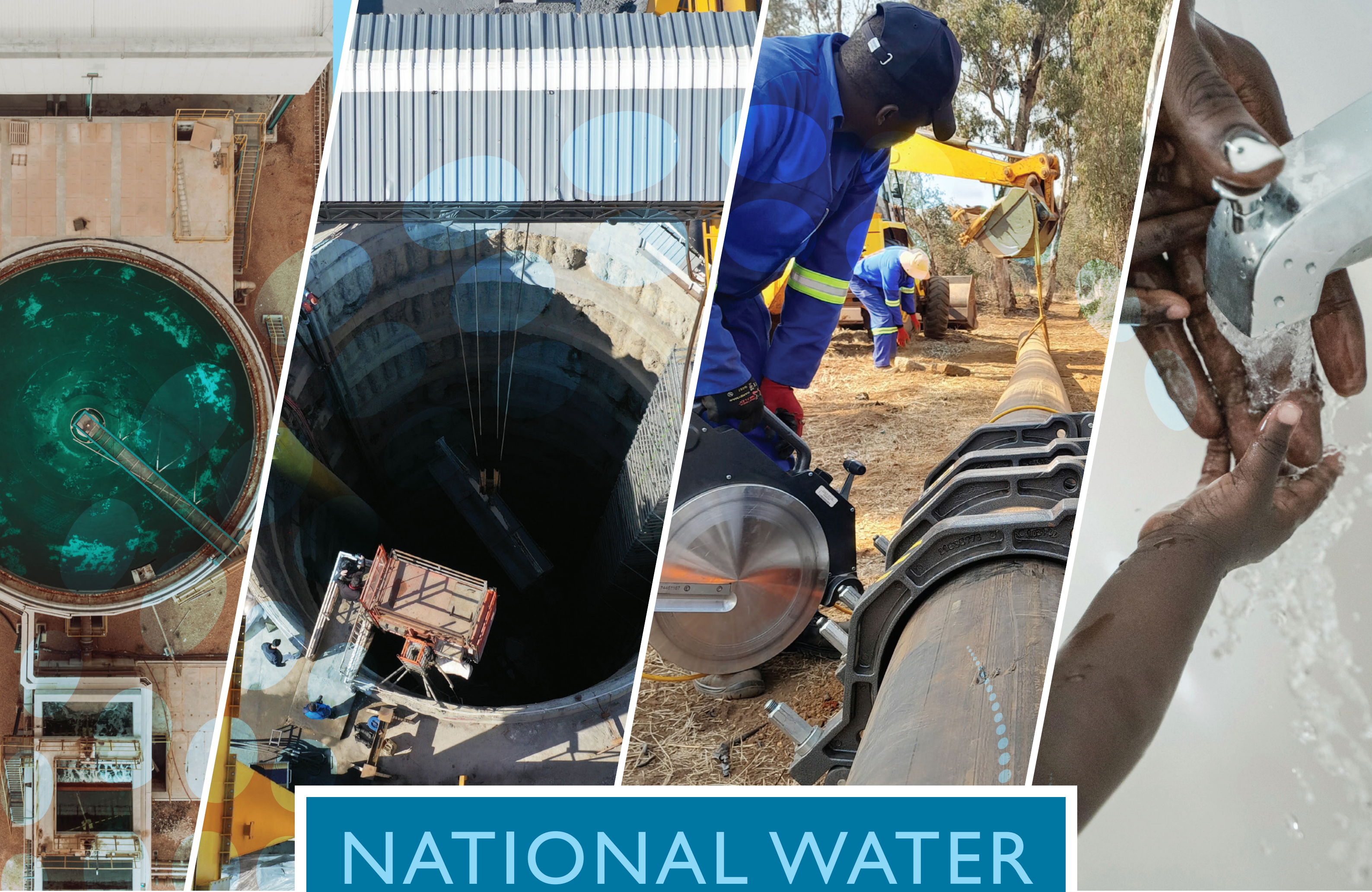


NATIONAL WATER ACTION PLAN

THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

A NATION THAT WORKS FOR ALL

ACRONYMS

DWS	Department of Water and Sanitation
IFISA	Infrastructure Finance and Implementation Support Agency
Natjoints	National Joint Operational and Intelligence Structure
NRW	Non-Revenue Water
NT	National Treasury
NWAP	National Water Action Plan
NWRIA	National Water Resource Infrastructure Agency
RWPS	Raw Water Pricing Strategy
WATERCOM	National Water Crisis Committee
WSA	Water Services Authority
WSP	Water Service Provider

INTRODUCTION

South Africa's water crisis has reached a breaking point. Too many municipalities, communities and businesses can no longer rely on safe, reliable water services — threatening public health, economic activity, and social stability. The scale of the challenge now demands urgent national action and a fundamental shift in how water services are restored and managed.

We will work with municipalities to mobilise resources, expertise, and new partnerships to stabilise failing systems, recover critical services, and expand access across the country. While these challenges cannot be resolved overnight, continuing with outdated approaches is no longer an option.

The National Water Action Plan (NWAP) sets out a focused programme of priority interventions designed to establish new foundations for sustainable water service delivery. Dedicated teams have been mandated to drive implementation, accelerate results, and catalyse long-term reform.

> *"There is no silver bullet to address this challenge… The real challenge lies not in the availability of water, but in getting water to people's taps. Water outages are a symptom of a local government system that is not working. A far-reaching overhaul is now underway… If a municipality is not willing or able to provide a service to its residents, it must be done by another structure that can… We will now elevate our response to the water crisis to a National Water Crisis Committee, which I will chair."*
>
> **President Cyril Ramaphosa,**
> 2026 State of the Nation Address

We need to act on two fronts

- Work with municipalities to resolve the immediate crises
- Change the system to deliver water services for lasting results

ACTION TAKEN TO STRENGTHEN THE WATER SYSTEM

Much has already been done:

Legislative and regulatory measures: These provide the essential legal basis for sector reform and are well underway. These measures address unlocking the channels for private sector investments in water infrastructure, securing raw water supplies through better catchment management and a revised pricing strategy. The backlog in water use licence applications has already been cleared, and processing times have improved markedly.

Importantly, legislation has been tabled in parliament to ensure that municipal water services are supplied only by licensed providers. This opens the way for competent entities (both private and public) to meet the critical need for reliable water supplies.

Should municipalities operate water services?

Globally, South Africa is an outlier with 144 municipalities being both the Water Services Authority (WSA) and the Water Services Providers (WSP). The Constitution mandates that they ensure services are provided, but they do not have to provide water services themselves. They can contract this out to public or private operators with the necessary expertise. This separation is reinforced by legislation currently before Parliament (Water Services Amendment Bill), which will require WSPs to be separately licenced on the basis of technical criteria. Importantly, there is nothing to stop municipalities from starting now to appoint alternative expert WSPs, which would later apply for a licence after the Bill is promulgated.

Funding reforms: We are not waiting on legislation to start reforming the water sector. The National Treasury is spearheading the Reform of Metropolitan Trading Services. This provides a strong financial incentive to metropolitan municipalities to ring-fence and dedicate revenues from the sale of water exclusively to the water function. Currently, these revenues often go into the general pool of municipal funds and are used for other purposes. The Water Services Amendment Bill has been introduced in Parliament and is being prioritised. It will clarify the roles of WSAs versus WSPs, provide for the licensing of WSPs, and require all WSAs to appoint only licensed WSPs who have a minimum level of capability.

Immediate access: For communities in rural areas that currently have no access to water, the Department of Water and Sanitation is running a programme to develop community-based boreholes and protected springs.

Building the evidence: We cannot respond or act effectively without accurate information on all 144 municipalities authorised to provide water services. We now have this information. The Blue, Green and No Drop Reports have been reinstated, with the latest reports for the Green Drop (wastewater treatment) providing 2025 data, and the Blue Drop (drinking water) 2023 data.

Why further action is required:

While significant reforms are underway, the evidence shows a worrying and worsening situation among municipalities:

- 74% of WSAs scored poor or critical in drinking water systems and/or wastewater systems assessments.
- 46% of water supply systems recorded poor or bad microbiological water quality compliance (i.e. water that is not safe to drink) in 2023, compared to 5% in 2014.
- 81% of municipal wastewater infrastructure was in a poor or critical condition, resulting in widespread pollution and sewage spillages in communities.
- Non-revenue water (NRW) averages 47% across all WSAs, compared to a benchmark of 25%.
- By February 2026, 38 of the worst-performing WSAs had not yet produced corrective action plans in response to assessment findings.

The challenges are often interconnected, causing many municipalities to be in a vicious downward spiral, with high NRW leading to reduced maintenance, and reduced maintenance resulting in increasing leaks and NRW.

What are we trying to solve?

The evidence points to structural weaknesses in the current service delivery model, contributing to deteriorating infrastructure, rising water losses, and inadequate maintenance, metering, billing, and revenue collection.

Most municipalities treat their water services as one function among many, characterised by two critical flaws:

- *Revenue is not ring-fenced:* Water sales revenue is often used to fund other municipal functions, reducing the resources available for water infrastructure maintenance, investment and hiring skilled staff.
- *Diffuse accountability*: Municipal water and sanitation departments are typically responsible for technical functions, but have limited control over billing, revenue collection, and asset protection. This lack of single-point accountability weakens incentives for effective and financially sustainable water management and service delivery.

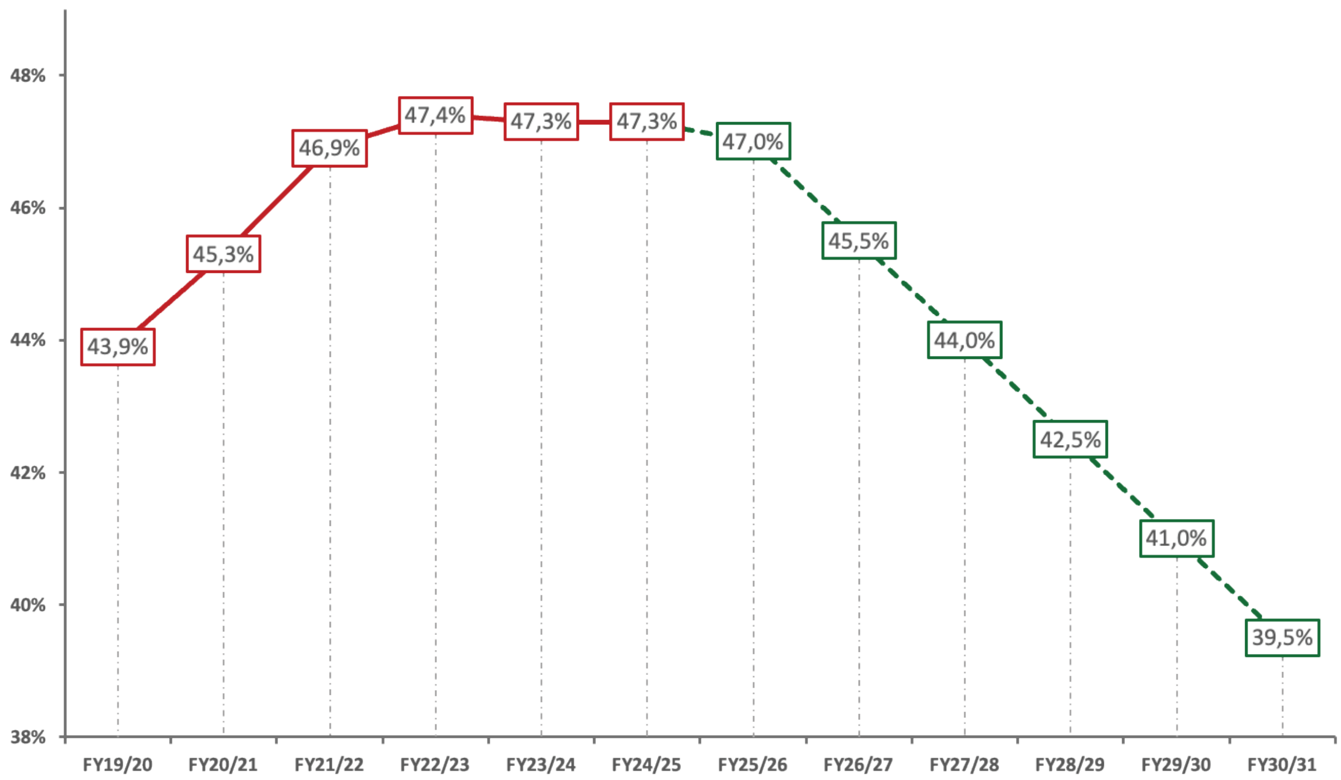
This points to a clear path for our response. Internationally, water services - especially in small municipalities - are often managed through ring-fenced utilities or contracted specialist service providers. Our solutions must align with successful models, while recognising our own context. We must move on from a delivery model that is clearly failing to supply water to our taps.

Where should we start?

Reducing NRW is one of the most important opportunities to improve water service delivery. NRW - which includes losses from leaks, theft, or faulty meters - currently averages at 47% across municipalities. This means that almost half of the pumped water is lost or unaccounted for before it generates revenue. Several key catalytic actions are already underway to support this objective:

- **Metro Trading Services Reform programme:** Implemented across the eight metros, this programme aims to reduce NRW and establish single-point accountability for the water function.
- **Licensing reforms:** These provide the framework for appointing competent Water Service Providers (WSPs), who are accountable for reducing NRW.
- **Piloting of alternative service delivery mechanisms:** This includes long-term concessions or public-private partnerships, such as the utility being put in place by Rand Water and Emfuleni.
- **Water Partnerships Office NRW programme:** The successful expansion of this national programme facilitates private sector participation to help municipalities reduce water losses and improve revenue collection.

Figure 1: Key Performance Indicator: NRW decreases to 39.5% by 2031



NATIONAL WATER ACTION PLAN

The National Water Action Plan (NWAP) sets out five areas of intervention, each with dedicated teams and clear priorities. Some actions will yield results within months; others are longer-term reforms that will take time to fully deliver.

KEY IMMEDIATE ACTIONS

The National Government is already decisively intervening where municipalities are failing and is accelerating support where it is needed most. Coordinating mechanisms to drive implementation of this Plan have been established at the level of the Presidency, and technical support teams have been mobilised with priority municipalities identified for immediate intervention. Other immediate priority actions include:

Unlocking infrastructure investment and delivery

The Department of Water and Sanitation (DWS) is developing a pipeline of projects for private sector participation, with at least three projects brought to market before the end of the year. The National Treasury is also establishing the Infrastructure Finance and Implementation Support Agency, to collaborate with the Water Partnerships Office and project sponsors to structure projects for greater private sector participation.

Strengthening governance and accountability

The Presidency is reviewing and providing amendments to the legislation for National Government intervention in failing municipalities. DWS and NT are developing budgeting requirements and incentives to ensure that water revenues are ring-fenced and reinvested into water services.

Accelerating regulatory and institutional reform

DWS is finalising amendments to the Water Services Act, appointing the Board and Chief Executive Officer of the National Water Resource Infrastructure Agency, and drafting legislation to establish an independent water regulator - bringing greater oversight and accountability to the sector.

Together, these immediate actions exemplify the prioritisation, decisiveness, and commitment that are required for change, and lay some fundamental groundwork for the Plan's five areas of focus.

Figure 2: Action Plan to address the water crisis

1 Address challenges in Municipalities

Actions:
1. Use existing legal tools (S139 of the Constitution) and Section 63 of Water Services Act) to intervene in municipalities
2. Support municipalities to put in place alternative service delivery mechanisms
3. Mobilise teams of experts to provide intensified technical support to municipalities
4. Strengthen regulatory actions to non-compliant municipalities

2 Expedite municipal & national reforms

Municipal reforms

Actions:
1. Amend the Water Services Act
2. All metropolitan municipalities ring-fence revenue and expenditure from the sale of water
3. All other WSAs ring-fence revenue from the sale of water
4. Reduce the debt to Water Boards
5. Review of national grants to municipalities that are related to water services

National reforms

Actions:
6. Establish the National Water Resource Infrastructure Agency (Completed)
7. Implement the revised Raw Water Pricing Strategy (RWPS)
8. Establish a water independent economic regulator

3 Attract infrastructure investment (private sector focus)

Facilitate higher levels of water infrastructure investment

Actions:
1. Water Partnership office develop expanded pipeline of opportunities for private sector participation in the water sector
2. Expand pipeline of blended finance water projects
3. Obstacles to attracting investment are removed and process of bringing bankable projects to the market is accelerated.

4 Explore legal & regulatory mechanisms to improve municipal service delivery

Provide legal and regulatory support to WATERCOM

Actions:
1. Review jurisprudence of national government intervention in municipalities failing to fulfil executive obligations
2. Review and recommend implementation of existing legislation governing (i) intergovernmental cooperation and (ii) national government intervention in municipalities failing to fulfil executive obligations
3. Propose amendments to existing legislation governing national government intervention in municipalities failing to fulfil executive obligations

5 Address corruption & criminality in the water sector

Actions:

To be managed by Natjoints and address the following:
- Corruption
- Theft
- Vandalism
- Water tanker mafia
- Construction mafia

FIVE AREAS OF INTERVENTION

FOCUS AREA 1: Address challenges in municipal water and sanitation delivery

Most South Africans receive water through their municipality, yet the majority of municipalities are failing, with some in crisis and 107 scoring 'poor' or 'critical' in water quality assessments. Beyond addressing failing systems, the Department of Water and Sanitation has identified 2 688 unserved communities across South Africa where no formal potable water infrastructure exists, existing infrastructure is dysfunctional, or residents lack access to the most basic level of service. To address this, the Water Access Acceleration Programme for Unserved Communities is deploying a two-pronged approach. In sparsely populated, rural areas, cost-effective interventions such as groundwater development, spring protection, and rainwater harvesting are being implemented. In more densely populated areas, municipalities are encouraged to prioritise funding proposals through certain grants to extend water supply networks to unserved communities.

This focus area takes a differentiated approach, recognising that different municipalities require different responses. Where services have broken down entirely, formal intervention will be considered under Section 139 of the Constitution and Section 63 of the Water Services Act. Where there is capacity to recover, targeted technical support, including engineering, financial management, or capacity building, will be deployed.

City of Johannesburg: A water system in crisis

"Long-term under-investment, weakening financial performance and declining services have put Johannesburg's water and sanitation services into a dangerous position."
Joburg Water Turnaround Strategy, approved by Council in 2024

Joburg Water's performance has seen a sharp decline over the last ten years. Water mains bursts have risen by 30%, and nearly half of the city's water (46.1%) is lost as NRW before reaching the consumer. The declining services also extend to sanitation, demonstrated by a 35% increase in the number of sewer overflows and a 19% drop in wastewater treatment performance. The downward trend stems from Joburg Water being managed as a city department rather than an independent entity with authority over its own finances. This structural arrangement has caused persistent under-investment in the maintenance and expansion of Johannesburg's water infrastructure.

To combat this crisis, WATERCOM, jointly with the Presidential Johannesburg Working Group, is focusing on five priority areas within the City of Johannesburg, with specific actions and targets.

Figure 3: Specific actions in the City of Johannesburg

	PRIORITY AREAS	SPECIFIC ACTIONS AND TARGETS
1	Restructure Joburg Water so its income goes directly back into fixing pipes and infrastructure	› Fully ring-fence revenue and cash from the sale of water for Joburg Water › Decentralise all management functions related to water service delivery from City of Johannesburg to Joburg Water › Increase capital budget of Joburg Water to a minimum of R5 billion per annum › Improve revenue collection level for water from current levels of 72% to 75% › Enforce bylaws of water services, for example disconnections and illegal connections
2	Decrease NRW from 46.1% to 28.8% by June 2030	› Improve response times to repair pipe bursts and blockages from 48 hours to 24 hours › Pipe replacements of 85 km by June 2026, and further 140 km per annum thereafter › Rehabilitate leaking reservoirs: 5 reservoirs by end 2026 › Improve actual meter reading ratio to 95% to ensure accurate consumption and billing
3	Encourage everyone to save water and use it more wisely	› Implement and enforce level 2 water restrictions in spring/summer and enforce water restrictions in high demand areas › Implement financially sustainable tariffs to encourage sustainable use of water › Install 525 PRV Smart Controllers to improve pressure management and reduce minimum night flows › Disconnect 9 priority informal settlements illegally connected (Informal Settlements already provided with alternative service)
4	Improve wastewater treatment and water quality	› Implement critical short-term maintenance on various wastewater treatment plants and equipment (gearboxes, electric motors and valves, filter belt presses etc.)
5	Fix and upgrade infrastructure to make the water distribution system more resilient	› Implement critical short- and medium-term projects to construct reservoirs and water towers to achieve 574 megalitres of additional storage capacity worth R3.2 billion by 2030

To turn water services around where the need is greatest, this focus area will act on three fronts: directly supporting and, where necessary, intervening in municipalities with failing water services; reconsidering how existing legal frameworks for national government intervention can be better utilised for greater impact; and strengthening the delivery and monitoring of infrastructure grant support to municipalities (Table 1).

Short-term actions are:

- Implement existing statutory mechanisms for intervention in municipalities failing to fulfil executive obligations.
- Provide support to struggling municipalities to consider appointing alternative capable WSPs, such as water boards or private concessionaires.
- Intensify technical support to municipalities to enable the implementation of comprehensive turnaround plans through dedicated capacity in the national government.
- Prioritise national infrastructure grants to municipalities to bring water to people's taps: for the completion of long-delayed, incomplete projects, for projects which reduce non-revenue water, and for projects which provide access to unserved communities.
- Strengthen regulatory actions against non-compliant municipalities.

Table 1: Examples of some infrastructure projects concluding by the end of 2026

PROVINCE	WSA	INFRASTRUCTURE SUPPORT	COST (RANDS)
Eastern Cape	Chris Hani DM	Completion of four delayed bulk water schemes (Engcobo Cluster 6, Engcobo Cluster 4, Xonxa and Hofmeyr) to restore and augment water supply across multiple towns and rural communities.	2.24 billion
Free State	Matjhabeng LM	Replacement of old asbestos cement and galvanised steel water pipes and broken water meters to reduce water and financial losses for the municipality.	50 million
Gauteng	Emfuleni LM	Construction of gravity sewer pipeline from the industrial area through Boipatong and Tshepiso to improve wastewater conveyance and reduce spillages. Project at advanced stage (±93% complete).	27.7 million
KwaZulu-Natal	iLembe DM	Maphumulo Bulk Water Scheme implemented by uMngeni-uThukela Water, involving the construction of bulk water supply infrastructure to supply water to Maphumulo LM, benefitting about 21 000 households.	1.1 billion
Limpopo	Greater Sekhukhune DM	Moutse Bulk water supply: bulk water infrastructure for Ephraim Mogale, Elias Motsoaledi LMs to increase access and reliability of supply.	797 million
		Construction of bulk water infrastructure, including groundwater development, treatment works, pipelines and reservoirs, to expand access and improve reliability of supply to multiple villages (±41 490 people).	587 million
		Implementation of Malekana Regional Water Supply Scheme, including bulk pipelines, reservoirs, reticulation and household connections (±8 200 households) to expand access and improve service reliability.	395 million
	Vhembe DM	Upgrade of Mutshedzi water supply, including WTWs, bulk pipelines, reservoirs and reticulation, upgrade of Vondo WTWs and bulk and reticulation infrastructure.	1.4bn
Mpumalanga	Lekwa LM	Implemented through Gert Sibande DM, comprising 17 projects to improve water supply, address sanitation spillages and reduce non-revenue water.	450 million
	Mkhondo LM	Construction of a dam, with supply capacity of 1.17Mm^3, to benefit 19 837 households.	500 million
North West	Madibeng LM	Refurbishment and upgrade of Brits WTW and other works to increase capacity by 20 Ml/day to improve supply across Madibeng.	772 million
Western Cape	George LM	Upgrades of water pump stations and WTW.	1.7 billion

FOCUS AREA 2: Expedite reforms to address the systemic causes of the water crisis

Many of the failures in South Africa's water sector stem from structural weaknesses. Non-revenue water continues to rise annually, while the current delivery model lacks effective ring-fencing of water revenue and clear, single-point accountability for the water function. This undermines financial sustainability and reinforces a downward spiral in service delivery. A comprehensive overhaul of the legal and regulatory framework is therefore required to fundamentally reshape water service delivery and address the root causes of the crisis. Focus Area 2 will drive the following municipal and national reforms:

Table 2: Municipal and national reforms

INTERVENTION	WHY THIS IS IMPORTANT
Municipal reforms	
Amend the Water Services Act to introduce i) separation between water service authorities and water service providers, and ii) a licensing system for providers	Contracted providers will be held to national norms and standards, with operating licences requiring a minimum level of competency.
All metros have ring-fenced revenue from the sale of water, as part of the NT Reform of Trading Services Programme	Ring-fencing revenue will arrest the lack of funding for investment, maintenance and operations, enabling water institutions to become financially viable and sustainable.
All other WSAs ring-fence revenue from the sale of water	
Reduce the debt to Water Boards	Water boards are at risk of collapsing due to municipal debts; this debt also threatens the financial sustainability of the entire water value chain.
Review of all national grants to municipalities that are related to water services	Grants are not sufficiently performance-based or linked to reform progress, and could be better targeted.
National reforms	
Establish the National Water Resource Infrastructure Agency (NWRIA)	Consolidating national water resource infrastructure functions into a single entity creates a strong balance sheet, enables more finance to be raised, and strengthens governance.
Implement the revised Raw Water Pricing Strategy (RWPS)	More cost-reflective tariffs on 3-year pricing cycles will support the financial sustainability of the sector, while protecting resource-poor farmers through temporary rebates.
Establish an independent water regulator to strengthen oversight of water services	Price regulation will extend to municipal tariffs (currently unregulated), professionalising the regulatory function and ensuring the sector is financially stable and efficient.

FOCUS AREA 3: Increase investment in infrastructure, including through private sector investment

The current water service delivery model has resulted in significant infrastructure backlogs that public funding alone cannot address. South Africa, however, has a sophisticated financial sector eager to invest in water, because it is seen as a safe investment with reliable returns. Progress is already underway with major national water infrastructure projects worth R130 billion unblocked and now being implemented, largely through private sector financing.

Building on this momentum, this focus area seeks to further scale infrastructure investment, particularly from the private sector. In the short-term, additional funding will be mobilised for municipal water infrastructure through blended finance (a mix of financial instruments), public-private partnerships, performance-based contracts, and management contracts. Water sale revenues can service private sector loans, and private sector involvement could also help address the skills gap in municipalities.

Success will be reflected in the removal of key barriers to private sector participation, enabling it to play a greater role in delivery. The three broad interventions that will facilitate higher levels of water infrastructure investment are outlined below.

- Develop a pipeline of opportunities for private sector participation in the water sector. An existing pipeline of water projects, including those in the Water Partnerships Office and Infrastructure Fund, can be expedited and financially structured to maximise private sector participation.

- Facilitate blended finance water projects.

- Remove obstacles to private sector investment and accelerate the process of bringing bankable projects to the market.

FOCUS AREA 4: Explore legal and regulatory mechanisms to improve municipal service delivery

The National Government's ability to intervene where municipalities are failing is currently constrained by jurisprudence and statute. This focus area works to better utilise existing legal frameworks, particularly for impact in the short to medium term, and where necessary, propose amendments so that the state can act more decisively to protect citizens' right to water. The following interventions aim to achieve legal and regulatory clarity on what is best to do in municipalities failing to fulfil executive obligations.

- Review relevant jurisprudence relating to national government intervention in municipalities failing to fulfil executive obligations. This includes, for example, s154 and s139 of the Constitution and s63 of the Water Services Act.

- Review and recommend implementation of existing legislation governing (i) intergovernmental cooperation and (ii) national government intervention in municipalities failing to fulfil executive obligations.

- Propose amendments to existing legislation governing national government intervention in municipalities failing to fulfil executive obligations.

FOCUS AREA 5: Address corruption and criminality in the water sector

Corruption and criminality have become major drivers of the deterioration of water services across many municipalities. The declining reliability of municipal water services has increased dependence on water tankers, creating opportunities for criminal syndicates - *water tanker mafias* - to exploit procurement processes by sabotaging water infrastructure to secure tanker contracts. At the same time, theft and vandalism of water infrastructure - including the theft of metal components for resale as scrap metal - continue to disrupt water and wastewater services. In response, this Focus Area will strengthen coordination across government, law enforcement, and intelligence structures to combat corruption, theft, sabotage, and organised criminal activity in the sector. Key actions include:

- Incorporating the Focus Area into the National Joint Operational and Intelligence Structure (Natjoints), to intensify efforts to regain control over water tanker provision and reduce the theft of water assets.

- Strengthening collaboration with law enforcement and anti-corruption agencies to combat infrastructure sabotage and theft, as well as other forms of corruption in the water sector.

- Supporting municipalities to regain control over water tanker provision and reduce opportunities for corruption and criminal infiltration.

- Utilising the Water Sector Anti-Corruption Forum to coordinate efforts to prevent, detect, and investigate corruption within South Africa's water sector.

CO-OPERATIVE GOVERNANCE

Resolving the water crisis is complex and will require strong commitment and close co-operation between political and administrative leaders across all spheres of government. Success will depend on a willingness to embrace new solutions and remove unnecessary bureaucratic obstacles. WATERCOM will provide a central platform to co-ordinate the many stakeholders involved, track progress in real time, and maintain a sense of urgency. Failure is not an option.