



## **IFISA and IFC Partner to Accelerate Investment in South Africa's Water, Sanitation and Waste Infrastructure**

Johannesburg, 6 May 2026: The Infrastructure Finance and Implementation Support Agency (IFISA) and the International Finance Corporation (IFC) have signed a Memorandum of Cooperation to collaborate on priority sectors focused on unlocking investments in critical water, sanitation and waste management infrastructure in key municipalities across the country.

Water security underpins economic activity across agriculture, industry, and services. Studies in South Africa show that unreliable water systems can cause major economic losses, while investment in resilient infrastructure protects jobs, incomes, and local economies.

The new cooperation agreement will enable IFISA and IFC to strengthen project preparation, improve bankability, and accelerate the delivery of high-impact infrastructure through blended finance, public-private partnerships (PPPs) and other financing structures by mobilising private sector capital and expertise for essential public infrastructure and services.

IFISA will focus on project origination, coordination and implementation support within the public sector.

*"This partnership with IFC represents a significant step forward in strengthening South Africa's infrastructure pipeline and responding to the National Development Plan goals of crowding-in private sector investments in public infrastructure," says Mohale Rakgate, Acting Head of IFISA. "By combining our efforts, we can better prepare and deliver projects that address critical service delivery needs while attracting private sector investment at scale."*

Under the Memorandum, IFC will play a key role in enhancing the technical and financial readiness of projects. IFC, with support from the Swiss State Secretariat for Economic Affairs (SECO), is already collaborating with IFISA to review key aspects of the uMkhomazi Water Project Phase 1 Raw Water Component, working with the Trans-Caledon Tunnel Authority (TCTA), the implementing agent for the project. The uMkhomazi Water Project will play a key role in ensuring South Africa's long-term water security.

*“As one of the world’s most water-scarce countries, South Africa faces urgent and complex challenges. IFC is committed to increasing access to reliable water and sanitation services to communities by working alongside IFISA and the Government of South Africa on project preparation, institutional capacity building and identifying bankable projects that can attract the investment to meet the critical infrastructure needs,”* says Cláudia Conceição, IFC Regional Director for Southern Africa.

This new cooperation agreement comes at an important time for South Africa. According to the Department of Water and Sanitation’s 2025 Green Drop Report, nearly half the country’s municipal wastewater treatment plants are failing to operate optimally. This results in widespread discharge of partially treated effluent water into rivers and dams, with serious public health and environmental consequences.

At the same time, much of South Africa’s water and sanitation infrastructure has exceeded its design life, resulting in over 40% of treated water being lost through leaks, bursts, illegal connections, or metering failures, which has placed massive strain on already scarce water resources.

Leveraging the combined strengths of IFC and IFISA, the partnership aims to unlock a pipeline of bankable, sustainable projects that improve service delivery, economic opportunities, and environmental outcomes.

### **About IFISA**

The Infrastructure Finance and Implementation Support Agency (IFISA) supports the preparation, financing and implementation of infrastructure projects, working with public sector partners to accelerate delivery and mobilise private sector participation.

For more information, visit [www.ifisa.co.za](http://www.ifisa.co.za)

### **About IFC**

IFC – a member of the World Bank Group – is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2025, IFC committed a record \$71.7 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet.

For more information, visit [www.ifc.org](http://www.ifc.org).

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