Key Climate Impacts
The TRMP will significantly increase the city’s resilience to climate change through ecosystem-based and community-based transformative adaptation of the city’s river and streams.

Development Outcomes
- Mitigation of flooding and impacts of warmer air and water due to climate change
- Establishment of hydro-ecological systems, which generate sustained flows of life-supporting and risk-mitigating ecosystem services
- Benefit for the community from riverine spaces, that are liveable and have strong social and human connection
- Support to the economy by constructing riverine corridors which improve livelihoods and foster the green economy

Project Finance Factsheet
Transformative Riverine Management Programme (TRMP)
eThekwini (Durban), KwaZulu-Natal, South Africa

TYPE
Adaptation

SECTOR
Water

OVERVIEW
The project will provide a scalable and replicable model for how cities across the world can manage and maintain their waterways while maximising socio-economic benefits. Therefore, the CFF is supporting eThekwini to develop an integrated high-leverage business case for a Transformative River Management Programme (TRMP) for managing and transforming 7,400 km of eThekwini’s watercourses to be resilient to climate change. The business case motivates for the prioritisation, expansion and funding of partnership-based river management in the eThekwini Municipal Area and is supported by a thorough Benefit Cost Analysis (BCA) guided by a hydrological modelling and climate vulnerability assessment. The BCA indicates highly favourable returns under the most conservative assumptions.

Implementing agency
City of eThekwini

Timeline
The programme is likely to have a duration of 10 years.

- Jan 2021: Finalisation of draft business case
- Feb-Mar 2021: Preparation of the implementation of business plan
- Feb-Dec 2021: Consultations with government funders, donor institutions, business and property owners for finance and funding
- Jun 21 – Jul 22: Intensive engagement for establishing the required riverine management partnerships
- Jul 22 – Jun 26: Intensive implementation of TRMP as a programme with the 5-year Integrated Development Plan cycle

Financing Strategy
The TRMP will mobilise the required funding using a partnership-based approach and will include the following:
- Green bonds
- PPPs
- Grants or loans from development banks
- Climate funds
- Special levies
**Investment Summary**

According to the draft business case a transformative management scenario for the TRMP will cost the following over 10 years:

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal costs for leverage, facilitation and enforcement</td>
<td>€14 million</td>
</tr>
<tr>
<td>Ecological &amp; community infrastructure: on municipal land</td>
<td>€36 million</td>
</tr>
<tr>
<td>Ecological &amp; community infrastructure: on private &amp; third part-owned land</td>
<td>€41 million</td>
</tr>
<tr>
<td>Riverine management and social development</td>
<td>€306 million</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td><strong>€397 million</strong></td>
</tr>
</tbody>
</table>

This will create a conservative minimum of the following jobs and enterprises:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs - construction for 10 years</td>
<td>2,215</td>
</tr>
<tr>
<td>Jobs - maintenance yearly</td>
<td>6,965</td>
</tr>
<tr>
<td>Number of potential cooperative enterprises</td>
<td>1,045</td>
</tr>
</tbody>
</table>

According to the draft business case the TRMP will generate a conservative minimum Benefit Cost Ratio of 3.4 (with a social discount rate of 6% for municipal savings and -1% for riverine corridor users).

**Financing**

The total project volume is 397 million EUR, of which a maximum of 165 million EUR (17%) will need to be financed externally by donors.

The bulk of the finance and funding will come from the municipality, property owners and businesses in eThekwini.

The core business model will be direct capital and operating budget expenditure by the municipality from its own sources which is supported by river management partnerships and donor funding.

The supporting business model will be the formation of 10-15 river management partnership institutions that will raise management fees from affected property owners for river management services. This will comprise around 60% of the annual operating costs for river management services.

**Readiness Issues**

The TRMP has already been operating in various pilot projects for seven years. The upscaling as a multi-year programme will require detailed articulation, contracting, partnering, phasing, sequencing and resourcing.

**Legal**

There is currently an unclear mandate for South African municipalities to manage riverine corridors. The CFF has thus undertaken a regulatory framework study to chart a clear way forward for financing and institution building to achieve the bigger picture of safe, clean, and climate resilient riverine corridors.

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**CFF Support Summary**

The main area of support from the CFF is to develop a business case with supporting technical studies and to enhance it with a knowledge and learning framework, capacity building and financial partnerships.

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For additional information contact: contact@c40cff.org or chumisa.thengwa@durban.gov.za