

AU-AIP AFRICA WATER INVESTMENT SUMMIT 2025

13 - 15 August 2025
Cape Town, South Africa



AU AIP WATER INVESTMENT SUMMIT: PROJECT SHOWCASE

PROGRAMME/ PROJECT OVERVIEW	
Project name	NORTHERN REGION WATER BOARD CHILUMBA WATER SUPPLY AND SANITATION PROJECT
Location (Country, Region, Coordinates)	Malawi, Northern Region, Karonga District (8855000 N and 8843000 N; and 631000 E and 640000 E.)
Involved countries (if regional)	
Sub-Sector	WATER SUPPLY AND SANITATION
Project description (Goals and expected outcomes)	The project aims to improve livelihoods by expanding water and sanitation access through new infrastructure, benefiting around 161,752 people by 2045. This will reduce waterborne diseases and free up time—especially for women and children—for education and income-generating activities.
Technological details/ innovation	Smart water management systems including prepaid water meters, district metering areas to monitor water usage, Solar power systems and, Digital water payment systems,
Governance improvements / innovation	Innovative financing mechanisms, Integration of climate resilience into water and sanitation infrastructure planning and construction
IMPLEMENTATION & KEY PLAYERS	
Lead institution	MINISTRY OF WATER AND SANITATION
Implementing agent	NORTHERN REGION WATER BOARD
PROJECT TIMELINE & DEVELOPMENT STAGE	
Year of preparation, estimated start & end dates	PREPARATION: 2025 IMPLEMENTATION: 2026-2030 (4 years)
Current development stage	Detailed designs prepared, ESIA and Climate Risk Assessment Report Submitted to Malawi Environmental Protection Agency
PROJECT RATIONALE & STRATEGIC IMPORTANCE	
Alignment with national/regional plans, SDGs, Agenda 2063	Malawi aims to achieve universal access to clean water and improved sanitation by 2030, aligning with the SDGs, Malawi 2063 and MIP-1. Water infrastructure is recognized as a key driver of inclusive development. The Ministry of Water and Sanitation oversees service provision, with the Northern Region Water Board managing 10 urban supply schemes, including the urgently needed rehabilitation of Chilumba to meet growing demand.
Contribution to NDC's and alignment with NAPs / Adaptation and Mitigation measures	The project supports both the National Adaptation Programme of Action and the National Climate Change Policy by enhancing water supply through renewable energy and improving sanitation.
Paradigm shift potential (scalability, replicability, policy or behaviour change)	Introduction of a water regulator to regulate water, Resource efficiency and water demand management
FINANCIAL & INVESTMENT DETAILS	
Total project cost, currency	US\$ 41.6 million
Funding already raised (amount & source)	0
Proposed revenue model	NRWB will apply a cross-subsidised water tariff structure that seeks to

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	enhance cost recovery by applying higher tariffs to institutional and commercial customers while protecting low income domestic customers by applying a relatively lower water tariff.
Financial metrics (IRR, Payback Period, DSCR, NPV) available? Y/N, date	The financial analysis reflects NPV, DPP and FIRR at US\$22.18 million, 21.45 years and 3% respectively.
Economic performance (Benefit-Cost Ratio) Y/N, date	The economic analysis returns BCR, EIRR at 12.36 and 69% respectively.
INVESTMENT ASK & WAY FORWARD	
Remaining investment required: project component & type	USD 41.6million (Loan 65%, Grant 35%)
Opportunity for bundling with other proj	Yes
Next steps	Identify financing, ESIA Approval by MEPA
TARGET GROUPS & SOCIAL IMPACT	
Direct beneficiary population	Direct project beneficiaries totaling 161,752 in year 2045
Social & gender impact assessment	Y, Conducted as part of ESIA, 2024
Job creation estimate / local economic	1,000 (temporary & permanent)
SUSTAINABILITY & ENVIRONMENTAL ANALYSIS	
Environmental compliance & climate	Y, ESIA Conducted. Draft Reports Submitted to MEPA
Environmental impact assessment (Y/N,	Y, ESIA Conducted. Draft Reports Submitted to MEPA
ESG performance (Y/N, date)	Y, ESIA Conducted. Draft Reports Submitted to MEPA
Safeguards & community engagement	Y, ESIA Conducted. Draft Reports Submitted to MEPA
RISK MANAGEMENT	
Main risks & mitigation measures	Environmental Risks – assessment to be done Social Risks – Community displacement, loss of livelihoods and potential health impacts from project construction and implementation. Compensation to be provided Financial Risks – Budget overruns, insufficient funding and fluctuating interest rates can jeopardize project timelines and completion. To adhere to implementation schedule
Constraints or bottlenecks to finance	Financing yet to be identified
CONTACT INFORMATION	
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