

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	Salima Lilongwe Water Supply Company
Location (Country, Region, Coordinates)	Malawi
Involved countries (if regional)	None
Sub-Sector (Water Supply, Sanitation, Irrigation, Flood Management.)	Water Supply
Project description (Goals and expected outcomes)	<p>Project Development Objective (PDO)</p> <p>The PDO is to increase water availability for Lilongwe City, Salima, and Dowa Districts for social-economic development and to strengthen the capacity of Lilongwe City to respond to adverse climatic conditions and ensure sustainability of water supply.</p> <p>Expected Outcome</p> <p>Improved water supply-provision of 100 million litres of clean water/day</p> <p>Major Outputs</p> <p>The key outputs of the project include the following</p> <ul style="list-style-type: none"> i) Intake structure constructed at Lifuwu ii) Water treatment plant at Lifuwu, including 2No. sludge ponds and one backwash reservoir iii) Eight (8) clear water reservoirs constructed iv) 120 km transmission pipeline constructed v) Three (3) pumping station constructed one each at Lifuwu, Katengeza and Mvera
IMPLEMENTATION & KEY PLAYERS	
Lead institution	Salima Lilongwe Water Supply Company
Implementing agent(s)	Salima Lilongwe Water Supply Company
Contractor	Khato Civils-South Zambezi Joint Venture
PROJECT TIMELINE & DEVELOPMENT STAGE	
Year of preparation, estimated start & end dates	Started in April 2024 with mobilization of plant and equipment and expected to complete in January 2027
Current development stage	Construction phase commenced in January 2025
PROJECT RATIONALE & STRATEGIC IMPORTANCE	
Alignment with national/regional plans, SDGs, Agenda 2063	The Project is driven by the SDG 6 and Malawi Government Policy on access to clean water and sanitation.
Contribution to NDC's and alignment with NAPs / Adaptation and Mitigation measures	The project aligns with National Adaptation Plans and NDCs, focusing on water resources management; climate-resilient infrastructure; sustainable development
Paradigm shift potential (scalability, replicability, policy or behaviour change)	Scalability: The project's design and implementation can serve as a model for other water supply projects in Malawi and beyond.
FINANCIAL & INVESTMENT DETAILS	
Total project cost, currency	US\$315 million
Funds already raised (amount & sources)	US\$100

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Proposed revenue model	The revenue model is likely to involve water sales: The Salima-Lilongwe Water Supply Company Limited (SLWSC) will sell treated water (in bulk) to utility companies, such as Lilongwe Water Board and Central Region Water Board.
Financial metrics (IRR, Payback Period, DSCR, NPV) available? Y/N, date	- Estimated Annual revenue - \$50.2 million; - Payback period: 15 years; NPV: \$143 million; IRR of 4%
INVESTMENT ASK & WAY FORWARD	
Remaining investment required: project component & type (Loan/Equity/Grant/Guarantee/insurance)	The remaining investment required is US\$215 million which can be equity, grant or loan. This will finance completion of key project infrastructure such the treatment plant, 8 clean water tanks, 120km transmission pipeline, 3 pump stations
Next steps	Complete construction of treatment plant, pump stations clean water tanks and pipeline construction
TARGET GROUPS & SOCIAL IMPACT	
<u>Direct beneficiary</u> population per project component (if available, please provide estimated by income status, gender, ethnicity and/or other status, and numbers of each)	The project will benefit over 1.5 million people in Lilongwe, Dowa and Salima Districts
Job creation estimate / local economic benefit assessment (Y/N, date)	To date, the project has created over 250 jobs with more to be created when pipeline construction commences
SUSTAINABILITY & ENVIRONMENTAL ANALYSIS	
Environmental compliance & climate assessment (Y/N, date)	Yes, 2017
Environmental impact assessment (Y/N, date)	Yes, 2017
ESG performance (Y/N, date)	Yes, 2024
Safeguards & community engagement (Y/N, date)	Yes, 2018
RISK MANAGEMENT	
Main risks & mitigation measures (Political, Legal, etc)	Funding or delays in securing financing could hinder project implementation. This risk will be mitigated by securing funding from multiple sources. Power Supply might be another risk, but will be mitigated by investing in solar power or other alternative energy sources.
Constraints or bottlenecks to finance	Local Banking Sector Limitations
CONTACT INFORMATION	
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