WATER SECTOR

2025

Smart prepaid metering system for water services in Bo, Kenema and Makeni

The Sierra Leone Water Company (SALWACO) is launching a groundbreaking US$14 million smart prepaid metering system project to improve water service operations in the major towns of Bo, Kenema and Makeni.

Currently, revenue collection in these regions is only at 10%, well below the required 50% to cover operating costs. This project aims to significantly increase collection rates, making water supply projects more appealing for private sector investment outside the Western Area.

By installing smart meters, the system will replace outdated flat-rate tariffs with consumption-based charges, promoting efficient water use. This change will help reduce waste, lower operating costs and enable the expansion of water supply services without the need for immediate new resources. Achieving 100% revenue collection will establish a strong economic foundation for future investment, leading to both social and economic improvements in these rapidly growing towns.

Implementing the smart metering system will not only ensure financial sustainability for water services but also pave the way for private sector involvement in Sierra Leone's water infrastructure. For investors, this presents a unique opportunity to participate in a project with significant growth potential, positive social impact, and a robust revenue model.

The project aims to establish a model for future water revenue collection across all the towns of Sierra Leone. The expansion of the water supply will be tied to prepayment to eliminate the current culture of non-payment. SALWACO is interested in an independent private sector-driven management contract that focuses on installations, collections and loss reduction. This contract will not only bring in expertise, but also transfer knowledge and skills to SALWACO’s local managers and technicians, making them integral to the project's success.

Investment proposition

The proposal is to seek a donor grant to install smart prepayment metering for 35,000 customers in three towns. This will be accompanied by a management contract to ensure that the investment leads to the targeted levels of collections and reductions in losses.

The success of the project is crucial for the future of water supply in Sierra Leone. A review of cost-reflective tariffs to recover future investment for meeting demand is also planned, with the aim of enhancing economic growth in these important regional towns.

The blueprint developed for these towns could be replicated in other regional centres. The goal is for each area of water supply to become an economically viable concession, shifting water investment from a social to a commercial focus.

Although the initial investment will need to come from donors, private sector partners are being sought to provide management expertise in the short-term and potentially to enter partnerships for regional concessions in the medium-term.