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# Social Infrastructure & PPPs: The Azara Jere Irrigation Project

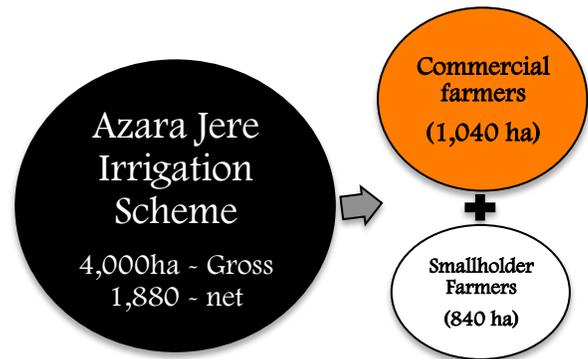
## Executive Summary

- NIAF provided technical assistance to the Federal Ministry of Water Resources (FMWR) on an irrigation project to engage commercial farmers and support smallholder farmers. NIAF was requested to support the preparation of PPP projects including the Azara Jere Irrigation Project, which is a component of the Gurara Phase I Multipurpose dam.
- The Gurara Phase 1 Multi-purpose Dam (Gurara) was designed and constructed with the main purpose of supplying water to the Lower Usuma dam in the country's Capital city, to meet the increasing demand for water in the region. The dam and ancillary construction associated with maximising the benefits of the dam were completed in 2007.
- Gurara was planned with a number of social and economic outcomes envisaged. Outcomes expected from the Dam included improved water access, power supply, irrigation, and improved farmland access for smallholder farmers, tourism and horticulture
- Project conception was motivated by the Federal Government of Nigeria's (FGN) commitment to facilitating economic growth through the provision of social infrastructure. The National Water and Sanitation Policy of the year 2000 identified PPPs as a vehicle for delivering social and economic benefits in water access and supply, given the shortage of government resources and the lack of government expertise in maximising returns from large hydro projects.
- As a result of NIAF's support the project was procured through the PPP processes approved by FGN signalling that Nigeria is ready for federal level PPPs.



## The Dam and the Azare Jere Irrigation Project

- The dam reservoir has a capacity of 880MCM, with an additional reservoir capacity 0.4MCM, and is equipped with world-class infrastructure for raw water supply, hydropower generation, irrigation farming, tourism development and aquaculture.
- The dam has the capacity to supply water to the Usuma dam (FCT), irrigate up to 6,000 hectares of land and generate 30MW of electricity.
- The Azara Jere Irrigation project was developed in Lot B of the Gurara Multipurpose dam to meet the government's desire to maximise social and economic returns in the agricultural sector.
- The irrigation project uses a system of centre pivots to maximise the amount of irrigation land that can be supported by the dam reservoir.

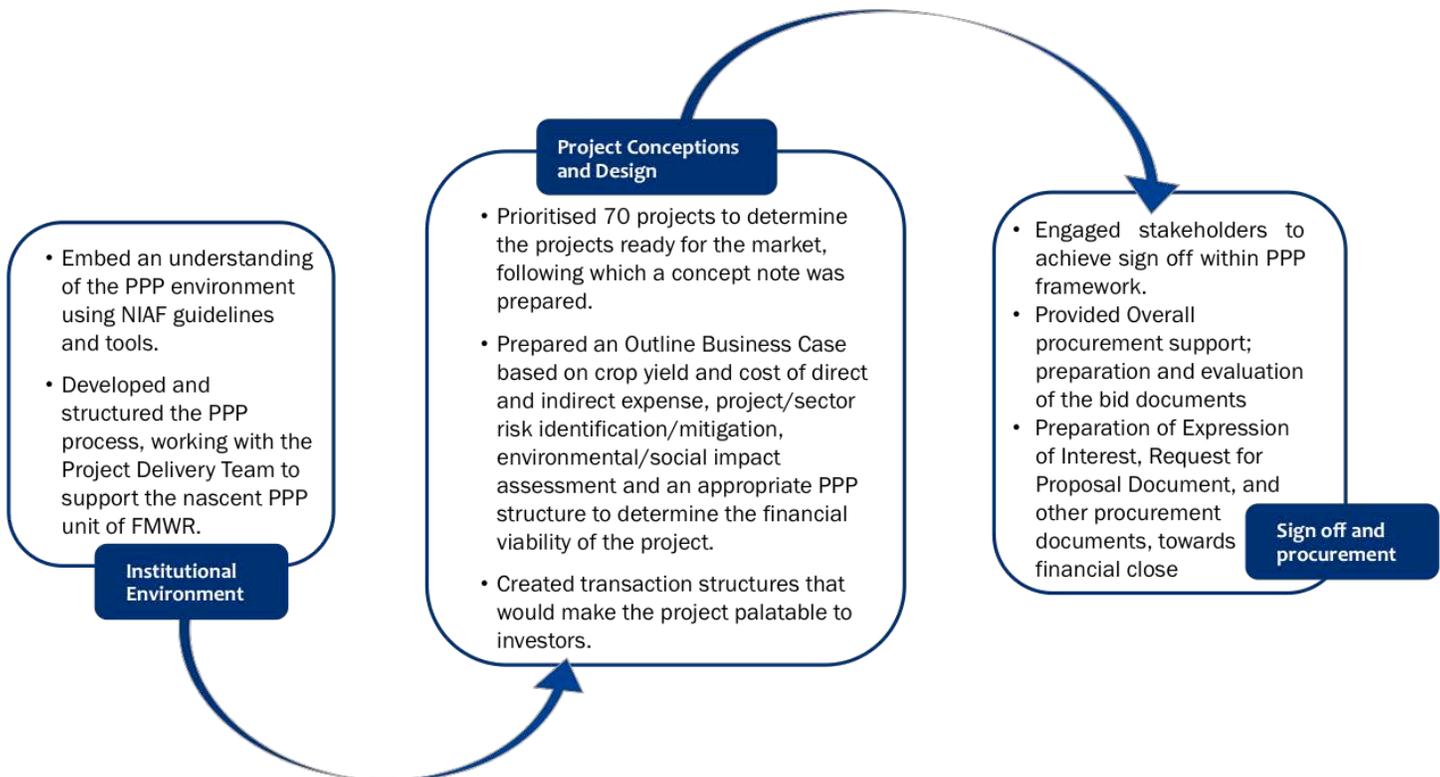


## The NIAF Approach

In order to effectively support the FMWR, NIAF provided technical assistance to the PPP unit within the Ministry. NIAF's approach involved:

- **Creating the right environment** internally in the FMWR to deliver PPPs.
- **Developing the right projects** that would maximise social and economic returns.
- **Ensuring procurement and signoff** on the project through the official demarcated channels.

The steps taken by the team at each stage are highlighted below.



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## The Outcomes

The irrigation land and the centre pivot systems were officially handed over to commercial and smallholder farmers in 2015. Farming activities commenced immediately after the handover.

Social	Economic	Signaling
<ul style="list-style-type: none"><li>• Marked increase in the employment of labour in the immediate communities</li><li>• Increased access to arable land by small holder farmers</li><li>• Reliable water supply for farming activities</li></ul>	<ul style="list-style-type: none"><li>• Increased production of cash crops</li><li>• Productivity of the land has significantly increased.</li><li>• Increase of food crops in the country</li></ul>	<ul style="list-style-type: none"><li>• First project procured through the approved PPP process, with approvals from the Infrastructure Regulatory Commission (Regulator) and the Federal Ministry of Finance (Coordinator)</li><li>• Signalled the use of PPPs in hard and social infrastructure projects with a social development priority</li></ul>

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## Lessons Learned

Throughout the process of supporting these objectives the following lessons became apparent.

1. MDAs need a greater understanding that PPPs require a complex mix of specialised legal, regulatory, financial and transaction execution skill sets which are often not readily available in government and thus may become a constraint to executing PPPs
2. Successful PPPs involve finite and structured processes and procedures throughout the entire project lifecycle
3. PPPs are able to bring much needed investment/financing at times of fiscal and budgetary constraints. In executing these PPPs the process also builds much needed technical capacity in transaction completion.
4. Social and environmental priorities can be achieved under PPPs whilst meeting broader economic development objectives within financial viability parameters