

**Title: Structuring Irrigation PPPs in Zambia**

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**Client:** World Bank

**Country / Region:** Zambia

The Government of Republic of Zambia (GRZ) has developed a new Irrigation Policy and Strategy and embarked on a comprehensive National Irrigation Plan (NIP) to revamp the country's irrigation sector. The project concept is based on two principles: (a) smallholder irrigation schemes can only be sustainable if there is a firm commercial basis that enable beneficiaries to effectively pay for irrigation water and related services; and (b) the successful long-term management, operation and maintenance of smallholder irrigation schemes depends on clearly defined roles and responsibilities of the different stakeholders, laid down in signed Public Private Partnerships (PPP) type agreements between the government, smallholder farmers organized in Water User Organizations and professional service delivering entities. Partnerships between the government, organized smallholder farmers, and professional entities are envisaged for two kinds of functions: (a) the operation and maintenance of irrigations systems; and (b) the production and/or marketing of agricultural products. The actual partnership arrangement to be applied depends on the specific conditions of each irrigation scheme. Smallholders should have a sense of ownership of the infrastructure, otherwise they may be less inclined to contribute to scheme operation and maintenance.

CEPA advised the World Bank and MACO on the options for structuring PPP arrangements for three irrigation infrastructure projects in Zambia. The project is part of the Zambian government's aim to attract private resources and expertise into irrigation development and management for the benefit of smallholder farmers. The three projects are: the Lusitu Irrigation Project, Siavonga District, Southern Province; the Mwomboshi Dam Project, Chisamba, Central; Province; and the Musakashi SADA Project, Mufulira, Copperbelt Province. The specific tasks included: (i) assessing the commercial and financial issues with the three irrigation sites; (ii) structuring PPP options; (iii)

risk assessment and allocation (political, financial, commercial, regulatory, technical and foreign exchange); (iv) determining the functions and roles of the public sector, smallholders and third parties; and (v) undertaking stakeholder consultation and assessments.

**Links:**

- The World Bank