

# A new PPP model for sustainable management of large scale irrigation schemes

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## 1. Overall information of the project

<b>Project title</b>	A new PPP model for sustainable management of large scale irrigation schemes
<b>Localization</b>	Ethiopia
<b>Date of operation</b>	Under construction Operation will start in 2016
<b>Public partner</b>	Ministry Of Water Irrigation and Energy
<b>Private partner</b>	BRL (French management company)
<b>Project size</b>	17 000 ha
<b>Cost of the project</b>	US\$ 110 M
<b>Number farmers</b>	20 000
<b>Short description of production system</b>	Lake Tana Pump Station for 4000 ha, diversion weir and intake on Ribb river, distribution network to 20 000 smallholders, drainage and road systems.
<b>Infrastructure / irrigation type</b>	Gravity canal irrigation

## 2. Type of contract and term

The private operator is competitively contracted for a limited period of time (8 to 9 years). He is in charge of a comprehensive design review, construction supervision and O&M of the primary and secondary infrastructures. He also gives a support to the local authorities for creation and strengthening of the water users associations. After this period, he will propose a model for an autonomous O&M entity to be established for the long term sustainable management of the scheme.

## 3. Investment funding source and sharing of the cost

Public Investment, financed by the World Bank

Consultation for water users association creation



## 4. Payment of the fees

Proposed irrigation fee to be paid by farmers on base of O&M costs, renewal cost plus the IWUAs cost : 0,015US\$/m<sup>3</sup> / 150US\$/ha

## 5. Risk sharing

- **Ministry of Water, Irrigation and Energy (MoWIE):** procurement and financing of construction contractor and private operator; setting up of IWUAs following regulation developed for that purpose; Irrigation Service Fee definition; monitoring of the whole process.

- **Irrigation water Users Associations (IWUAs):** operation and maintenance of tertiary irrigation and drainage system. Farmers on field (quaternary) canals.

- **Private operator:** design review and endorsement (through lumps sum remuneration), construction supervision (time based remuneration), capacity building and O&M (performance based remuneration) during a limited period (8 to 9 years), implementation of final entity.

## 6. Performance evaluation

Key performance indicators on 5 areas of performance including:

1. Staffing and labor
2. Administrative and finance (User and IWUA registration; Billing and fee collection)
3. Capacity building and customer services (demonstration plot implementation, establishment of IWUAs, long term O&M entity)
4. Operation (irrigation service delivery, efficiency)
5. Maintenance (irrigation and drainage service disruptions, access roads)

## Key lessons learnt

1. New concept of PPP and IWUAs in Ethiopia slowness to implement
2. Difficulty to involve all level of central and local administration to work together with the PSP, farmers and contractor.
3. What degree of freedom has the PSP in the technical choices?
4. How to manage the delays due to unforeseen events during implementation and construction

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