



**Innovative and Affordable Financing  
for Farmer-Led Irrigation  
Development:  
Case Studies From Nigeria and  
Uganda**

**August 23, 2022**

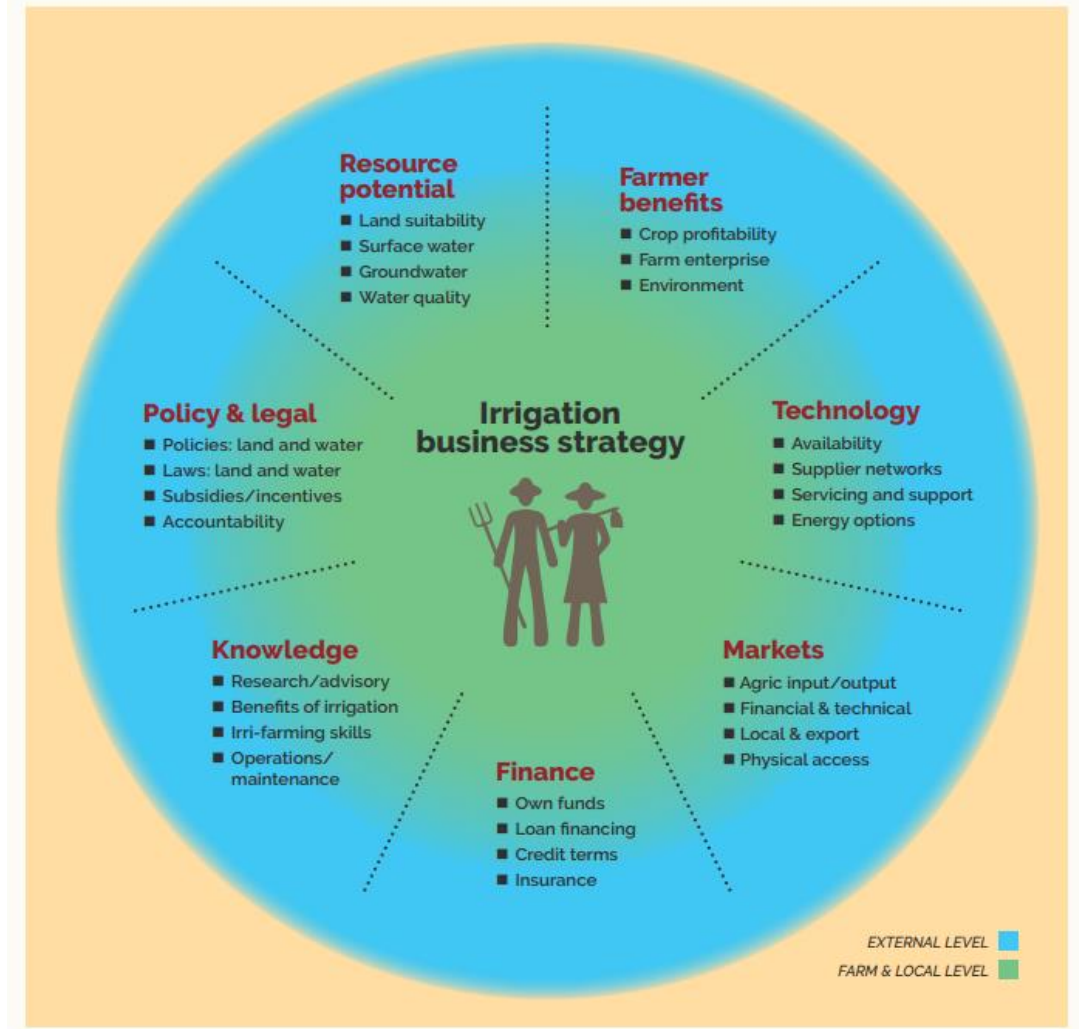
**Svetlana Valieva**

Water Global Practice, World Bank



## Common FLID Business Modalities and Financing Mechanisms

- **Integrated irrigation financing**
  - ✓ Facilitating linkages among existing actors through knowledge networking to bridge service gaps and reducing transaction costs.
- **Subscription service models (Pay-As-You-Go & Rent-Own)**
  - ✓ Provision of irrigation equipment or service by suppliers on a pay-per-use basis or with the possibility of eventual ownership.
- **Credit guarantees**
  - ✓ Risk sharing arrangements that transfer financing risk from the private to public sector.
- **Partial and smart subsidies**
  - ✓ Reduce the upfront cost of equipment purchase financing arrangements (e.g., matching grants).



# Nigeria: Catalyzing private sector innovation in irrigation

## Agro-Climatic Resilience in Semi-Arid Landscapes Project (ACRESAL)

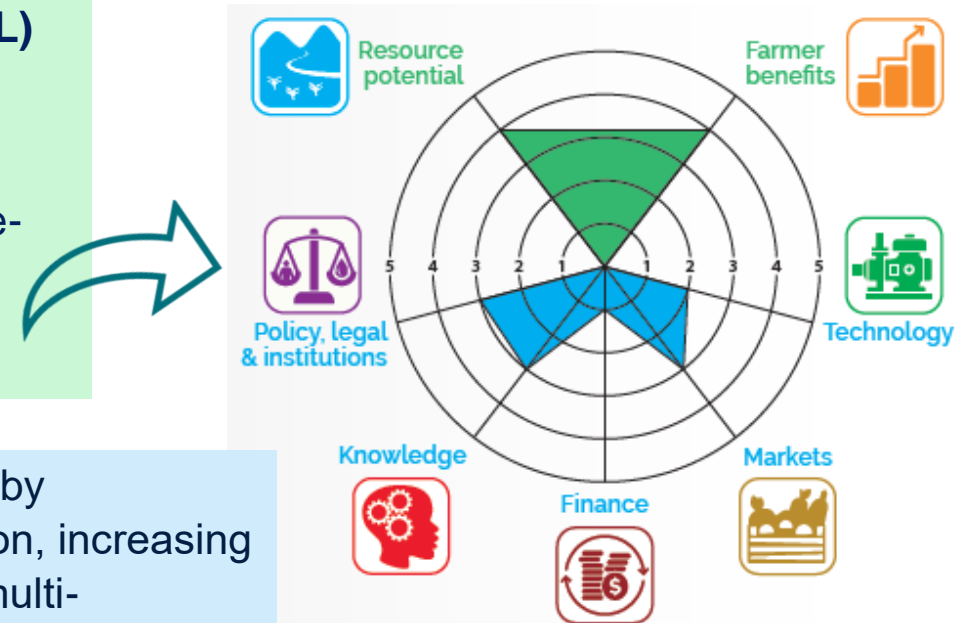
**Objective:** To increase the implementation of sustainable landscape management practices in targeted watersheds in northern Nigeria and strengthen Nigeria's long-term enabling environment for integrated climate-resilient landscape management.

**Implementation period:** 2021-2027.

The **FLiD component** of ACRESAL aims to enable irrigation uptake by smallholder farmers by strengthening private sector services' provision, increasing farmers' awareness of suitable irrigation technologies, and building multi-stakeholder platforms at national and state levels.

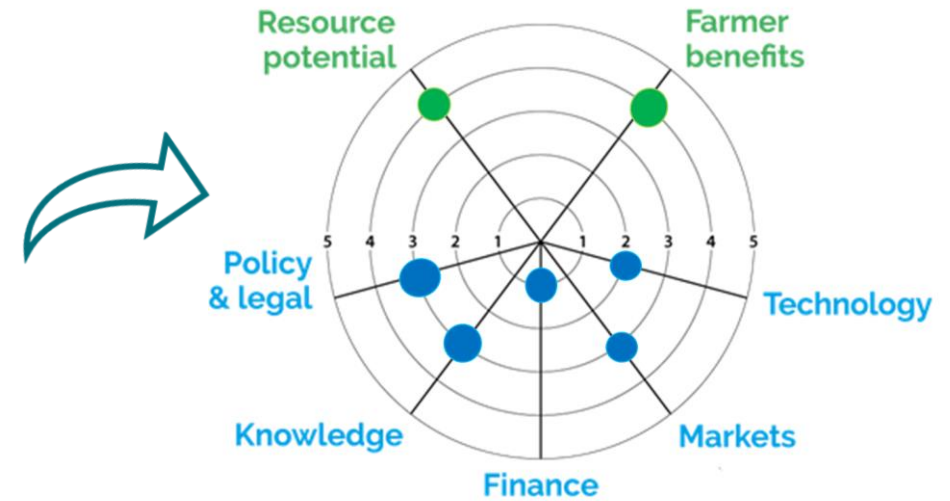
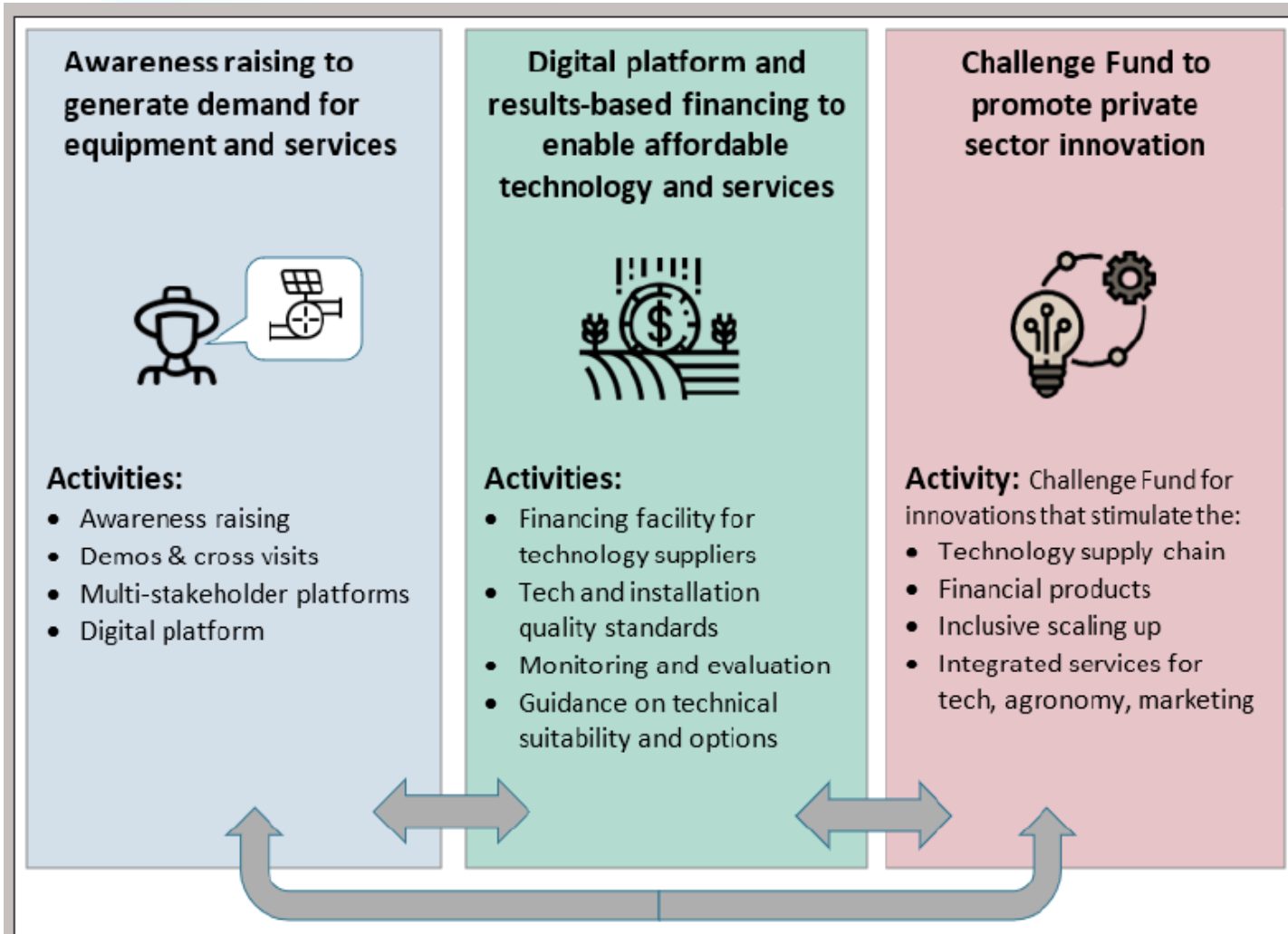
### Financing Modalities:

- Results-Based Facility (RBF)
- Grants [The Challenge Fund]



# Nigeria: Unlocking the potential for FLID in Northern and Central Nigeria

## Strengthening the Knowledge Base & Enabling Private Sector Support for FLID

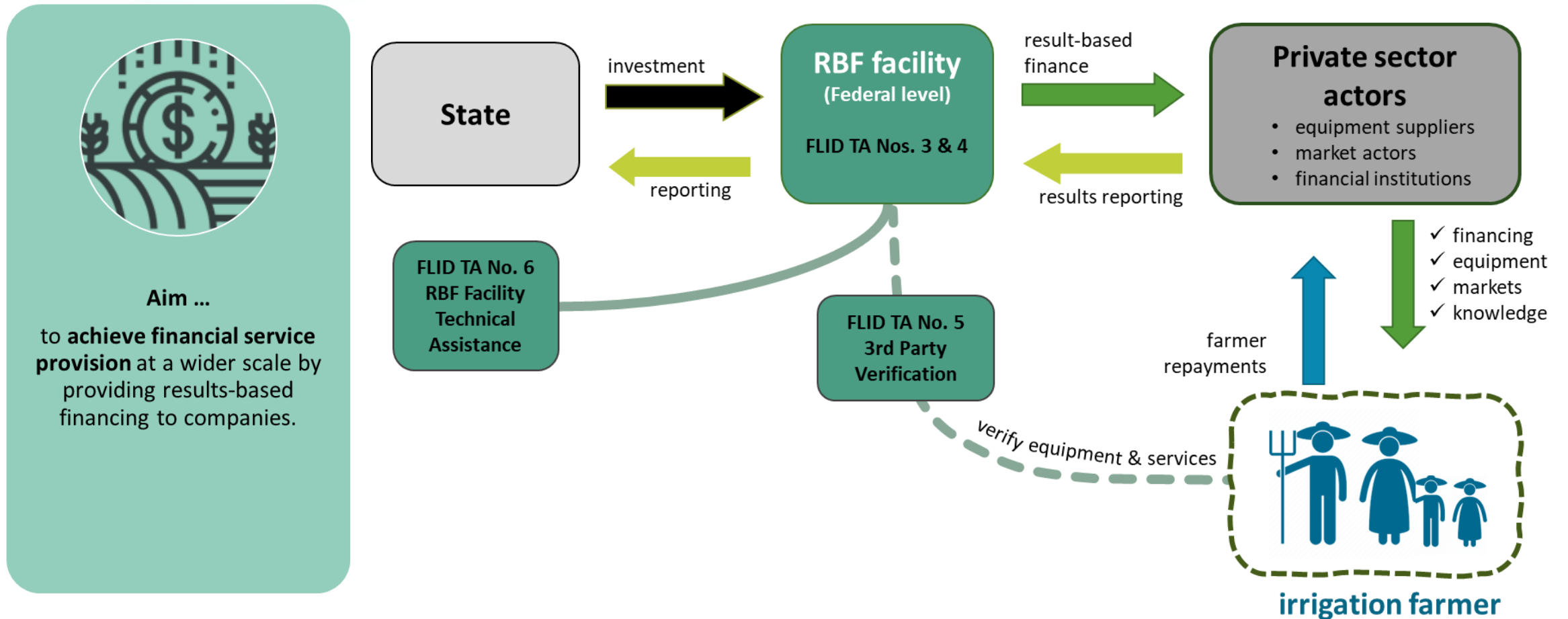


Smallholder farmers are enabled to utilize loans, asset-based financing, and PAYGO modalities to:

- ✓ Invest in irrigation technologies and services as well as in agricultural inputs.
- ✓ Receive training.

# Nigeria: Affordable Financing through the RBF Facility and Challenge Fund

## Results-Based Financing (RBF) Facility

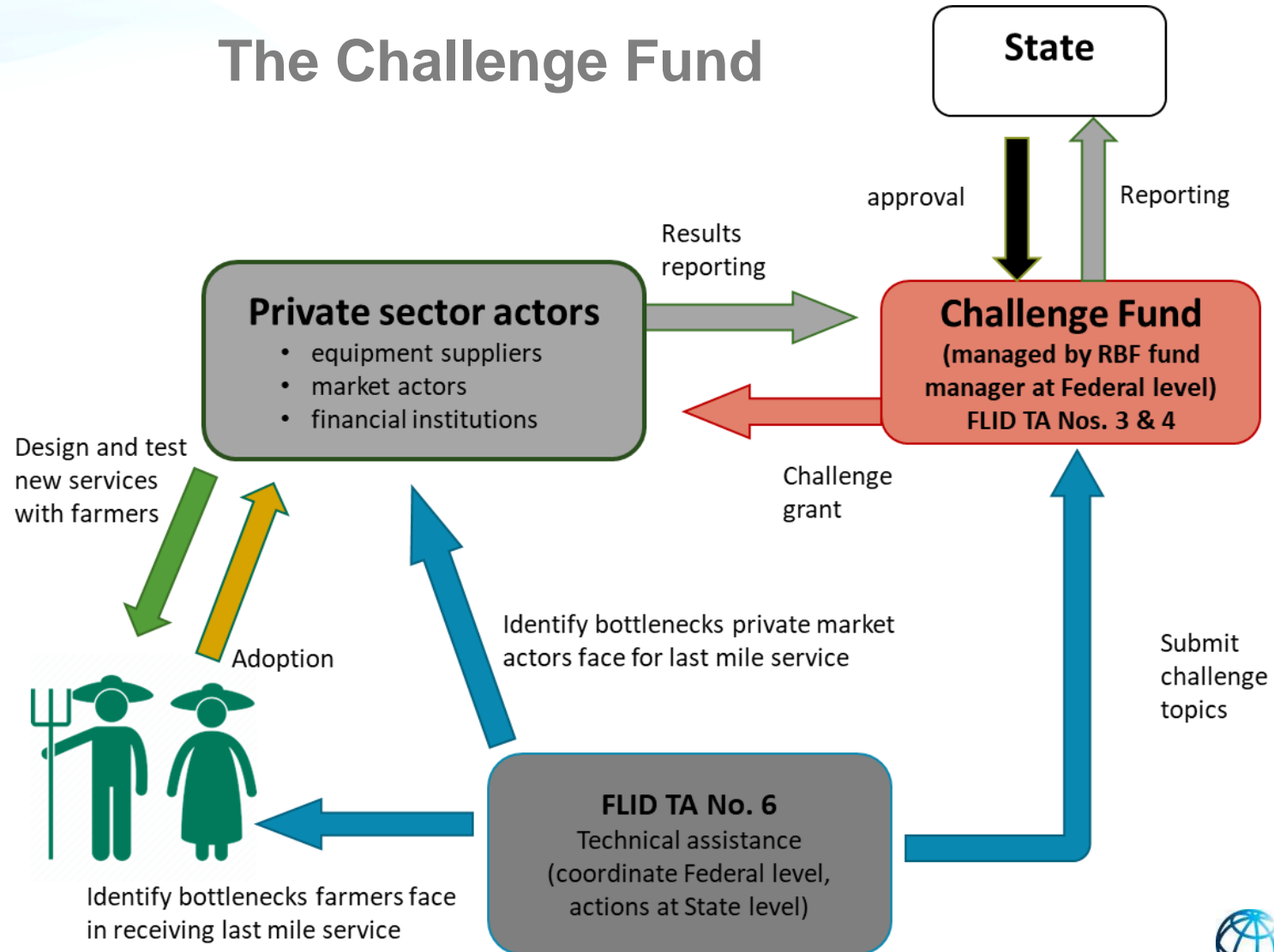


# Nigeria: Affordable Financing through the RBF Facility and Challenge Fund



**Aim ...**  
to solve farmers' problems through innovations by suppliers, agribusinesses, and financial institutions.

## The Challenge Fund

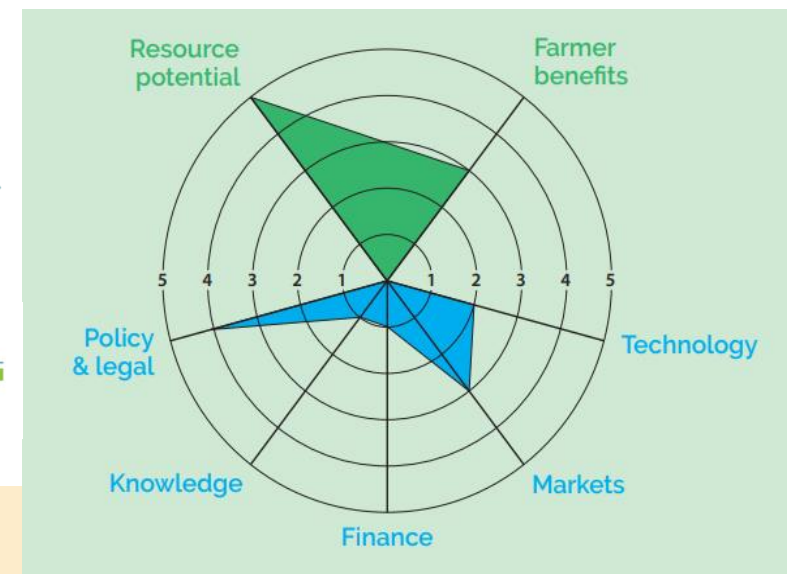


# Uganda: Intergovernmental Fiscal Transfer & Micro-Scale Irrigation Programs

## The Uganda Intergovernmental Fiscal Transfers Program (UgIFT)

**Objective:** To improve the adequacy, equity, and effectiveness of financing and its oversight, management and delivery of local government services in education, health, water, and environment, and micro irrigation, including refugees and their host communities.

**Implementation Period:** 2017 – 2024



## UgIFT supports the Micro-Scale Irrigation Program in Uganda:

The USD\$50 million loan expected to be matched by up to USD\$24 million in farmers' contributions.

**Financing Modality:** Demand-side partial subsidy, with the government financing 25% to 75% of the total cost of irrigation equipment.



# Thank You!

For additional information on the projects presented and the work of the FLID team, please contact the following persons.

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