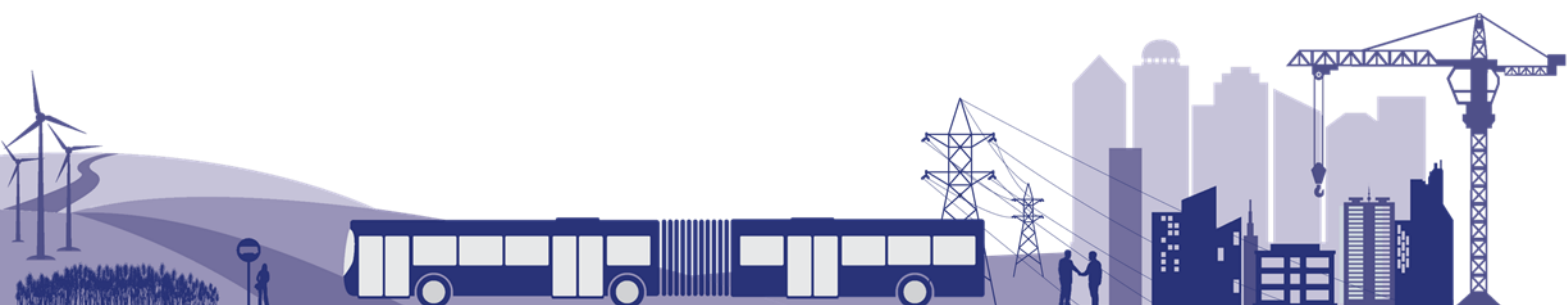


# Special Agro-Industrial Processing Zones (SAPZ) Case Study

Date: March 2025



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## Acronyms and Meanings

| ACRONYM       | EXPANSION   |
|---------------|---|
| <b>SAPZ</b>   | Special Agro-Industrial Processing Zones                |
| <b>UKNIAF</b> | United Kingdom Nigeria Infrastructure Advisory Facility |
| <b>FGN</b>    | Federal Government of Nigeria                           |
| <b>AFDB</b>   | African Development Bank                                |
| <b>IFAD</b>   | International Fund for Agricultural Development         |
| <b>EGRP</b>   | Economic Growth and Recovery Plan                       |
| <b>FCT</b>    | Federal Capital Territory                               |
| <b>PPP</b>    | Public-Private Partnership                              |
| <b>DFI</b>    | Development Finance Institution                         |
| <b>REOI</b>   | Request for Expression of Interest                      |
| <b>RFP</b>    | Request for Proposal                                    |
| <b>OBC</b>    | Outline Business Case                                   |
| <b>NSIA</b>   | Nigeria Sovereign Investment Authority                  |
| <b>NCO</b>    | National Coordination Office                            |
| <b>KADIPA</b> | Kaduna Investment Promotion Agency                      |
| <b>OYSADA</b> | Oyo State Agribusiness Development Agency               |
| <b>GAAIZ</b>  | Green Agro-Allied Industrial Zone                       |
| <b>FCDO</b>   | Foreign, Commonwealth & Development Office (UK)         |
| <b>MOU</b>    | Memorandum of Understanding                             |

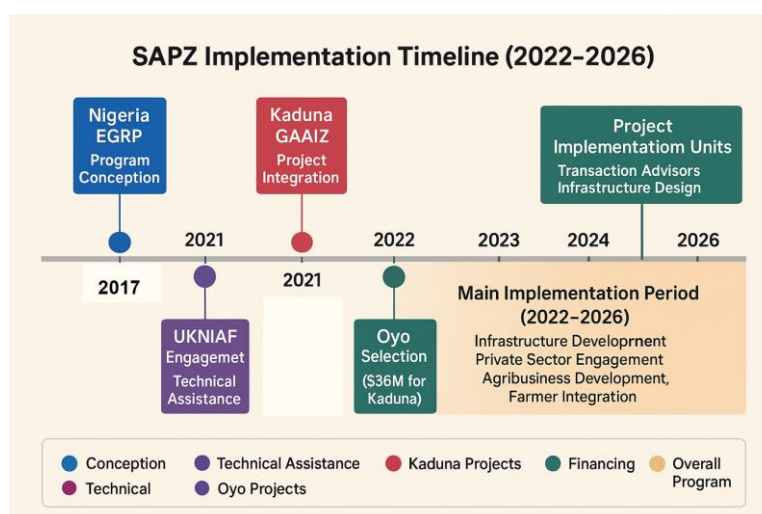
## Preface

As the United Kingdom Nigeria Infrastructure Advisory Facility (UKNIAF) programme nears its conclusion, there is a high priority to capture, document, and share key programme insights. These learnings will be communicated to stakeholders to help advance Nigeria's economic, social, and environmental/climate development priorities. In this spirit, UKNIAF is developing a series of case studies to showcase its intervention and distil valuable lessons learned along the way, which will provide practical guidance to support sustainable development.

## Executive Summary

The Special Agro-Industrial Processing Zones (SAPZ) initiative in Nigeria is a flagship program aimed at catalyzing rural economic transformation by clustering agribusinesses in high-potential zones. In partnership with the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD), the program seeks to channel nearly \$500 million of early-stage financing into modern agro-industrial infrastructure across several pilot states. Kaduna and Oyo States emerged as front-runners in this effort, offering fertile ground to demonstrate how integrated agro-industrial hubs can drive inclusive growth.

The United Kingdom Nigeria Infrastructure Advisory Facility (UKNIAF) played a strategic technical assistance role in translating these ambitious plans into actionable projects. Acting as technical advisor, UKNIAF supported the preparation of key project documents (including concept notes and Outline Business Cases), guided and facilitated the procurement of key consultants and transaction advisors. UKNIAF also facilitated stakeholder coordination at state and federal levels. These efforts were instrumental in aligning diverse partners behind a private-sector-led delivery model and in meeting conditions necessary to unlock the AfDB-led financing. By the end of 2022, both Kaduna and Oyo States had signed subsidiary loan agreements with the federal government – a critical step that enabled them to access AfDB funding for zone development. UKNIAF's early support also accelerated private sector engagement by initiating the procurement of transaction advisory services, so that investors could be brought on board swiftly once infrastructure financing was in place.



This case study chronicles the SAPZ journey in Kaduna and Oyo States from a practitioner's perspective, highlighting pivotal moments, challenges encountered, and strategic solutions devised. It illustrates how UKNIAF's on-the-ground support (from conducting feasibility analyses to convening multi-stakeholder workshops) added value beyond what traditional loan projects might achieve alone. Notable milestones, such

as the integration of Kaduna's Green Agro-Allied Industrial Zone plans into the national SAPZ program and the rapid pivot to support Oyo State when another state fell behind, are explored for their insights. The narrative sheds light on practical lessons: the importance of early stakeholder alignment, adapting to local contexts (e.g., adjusting site plans to address land use constraints), and building institutional capacity to sustain complex projects.

While significant progress was made – including leveraging modest public funds to crowd in large-scale investments and establishing models for PPP-driven agro-industrial development – the journey was not without hurdles. Bureaucratic delays in inter-governmental agreements, varying visions among stakeholders, and external factors like political transitions tested the team's agility. Each challenge, however, offered a learning opportunity. Through adaptive management and collaborative problem-solving, the SAPZ initiative in these states has moved from concept to implementation readiness.

In essence, the SAPZ case demonstrates a path for translating high-level development programs into bankable, inclusive projects on the ground. The experience in Nigeria underscores that with the right technical support, even complex multi-stakeholder initiatives can be steered to success. For development practitioners, policymakers, and investors, the case offers valuable lessons on structuring partnerships, mitigating early-stage risks, and ensuring that transformative ideas result in tangible outcomes.

## Objective of the Case Study

This case study captures insights and lessons learned from the SAPZ project, with a focus on the technical assistance provided in Kaduna and Oyo states. Key areas of focus include:

- Project Preparation
- Procurement of Design Consultants
- Securing Transaction Advisors for Selected SAPZ Projects
- Collaboration with AfDB and IFAD to Unlock Early-Stage Financing for the \$500M SAPZ Nigeria Programme

This case study analyses how effective project preparation, aligned technical assistance, and strategic procurement measures can create a replicable model for sustainable and inclusive agro-industrial development, as well as for PPP projects that follow a similar project progression path. It will identify actionable insights and practical lessons—what to do, how to do it, and the strategic value-add provided by UKNIAF's support. Additionally, the study will offer an candid account of the challenges encountered and successes achieved, serving as a guide for Nigerian states and stakeholders interested in similar PPP projects.

## Key learnings include:

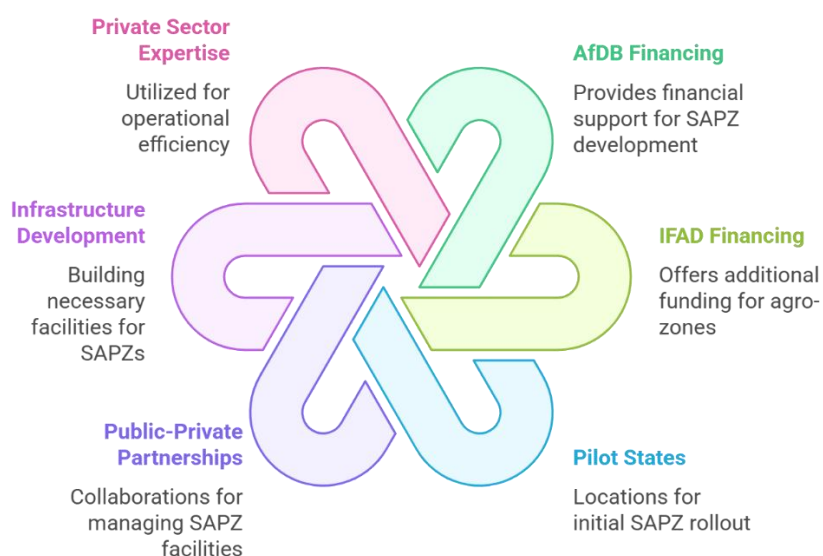
1. Secure Early Stakeholder Alignment - Early buy-in from Federal, State, and Financing Partners helps pre-empt later delays
2. Tailor program design solutions to local context – one size does not fit all
3. Invest in preparation – don't rely solely on donors, provide dedicated funding for project preparation
4. Strengthen institutional champions – Identify, empower and equip the agency with the most leverage
5. Integrate climate resilience and sustainability from day one – this enables eligibility for climate-linked funds as well as ensures long-term viability
6. Deploy multi-disciplinary teams – blending infrastructure, finance, agriculture, and community issues requires expertise across multiple domains

## Background and Context

Agriculture remains a cornerstone of Nigeria's economy, but for decades the sector's potential has been constrained by low productivity and limited industrial value addition. In 2017, the Federal Government of Nigeria unveiled an Economic Growth and Recovery Plan (EGRP) that highlighted agro-industrial development as a key pillar. To operationalize this, the government sought support from international partners to create Special Agro-Industrial Processing Zones – designated areas equipped with integrated infrastructure to attract agribusinesses, reduce post-harvest losses, and spur rural development – thereby diversifying the economy beyond its reliance on oil. The concept was simple but transformative: by clustering processing facilities near high-potential farming areas and linking them to markets, Nigeria could turn its comparative advantage in agriculture into competitive agro-industries. As envisioned, each SAPZ comprises a dedicated agro-industrial hub with critical infrastructure and services on site – roads, power (often integrating renewables), water supply, waste management, and storage facilities – and improved links to farms and markets off site. Social and environmental programs (such as farmer training, community engagement, and climate safeguards) are built into the model to ensure inclusive and sustainable growth.

In response to Nigeria's call, The African Development Bank (AfDB) and IFAD committed to jointly finance a national SAPZ Program to be rolled out across the country \$500 million. Due to the scale of investment and the need to demonstrate impact, an initial phase focused on seven pilot states- Cross River, Imo, Kaduna, Kano, Kwara, Ogun, and Oyo, and the Federal Capital Territory (FCT). Among these, Kaduna and Oyo were selected for their agricultural potential and readiness to implement large scale agro- industrial projects. The AfDB-led funding came with a clear strategy: each zone would be developed through a Public-Private Partnership (PPP) approach. While the core infrastructure would be financed through loans, the long-term operation and management of the facilities would leverage private sector expertise to ensure commercial viability and sustainability. In practice, this meant state governments and federal agencies would partner with competitively recruited private operators to design, build, and run agro-processing hubs, thereby infusing business discipline and market orientation into what could otherwise become another public sector project.

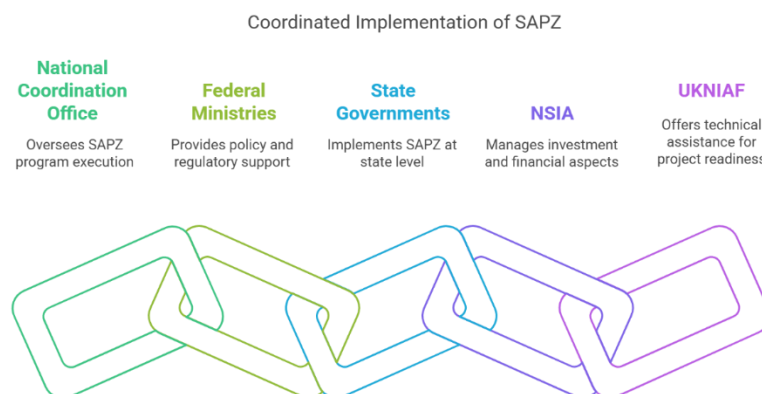
SAPZ Program Implementation Overview



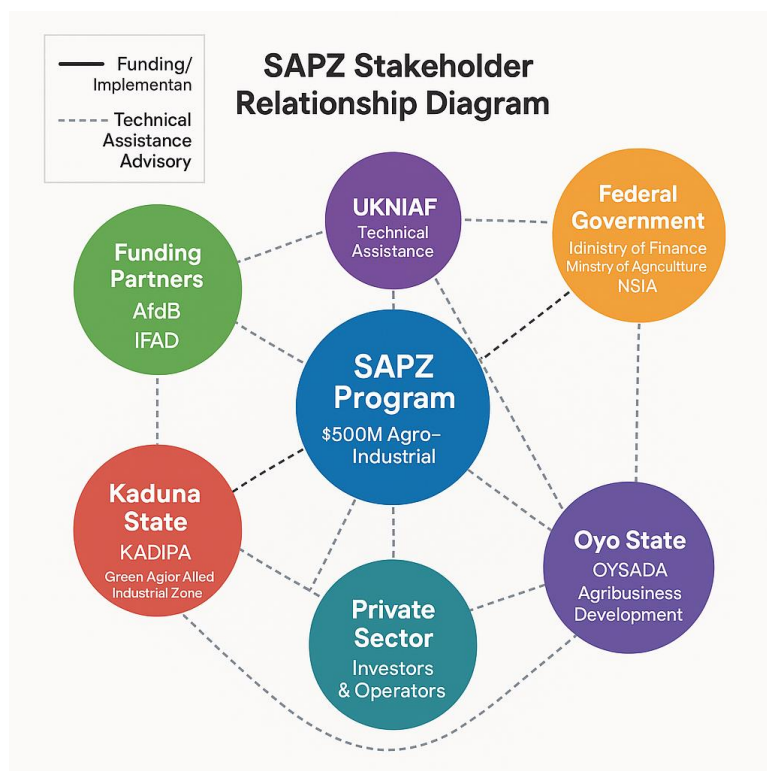
Implementing the SAPZ vision required coordination across multiple tiers of government. To provide overarching oversight, a National Coordination Office (NCO) was established, and a tripartite agreement framework was put in place, bringing together the Federal Ministries of Finance and Agriculture, state governments, and the Nigeria Sovereign Investment Authority (NSIA) in a collaborative arrangement. Despite high-level buy-in, the practical work of turning SAPZ ambitions into viable investment-ready projects on the ground posed a significant challenge.

Each state operated within its distinct institutional setup, with varying levels of preparedness, development priorities, and on-the-ground realities. Early in the process, it became evident that dedicated project preparation support would be essential to bridge the gap between the lofty goals of the SAPZ program and the quality of bankable projects needed to attract investor interest and development finance.

This is where UKNIAF – a technical assistance program funded by the UK government – became a crucial partner. UKNIAF's mandate is to improve infrastructure delivery in Nigeria with an emphasis on inclusivity and climate-smart development. Under the SAPZ program, UKNIAF was tasked with supporting Kaduna State and (initially,) Ogun State in preparing their agro-industrial zone projects for investment and further extending similar support to Oyo State when it joined the fray. In essence, UKNIAF's role was to ensure that these pilot SAPZs would not only be well-designed on paper, but also institutionally and financially ready to take off, by transforming policy ambition into practical bankable models for agro-industrial development in Nigeria.





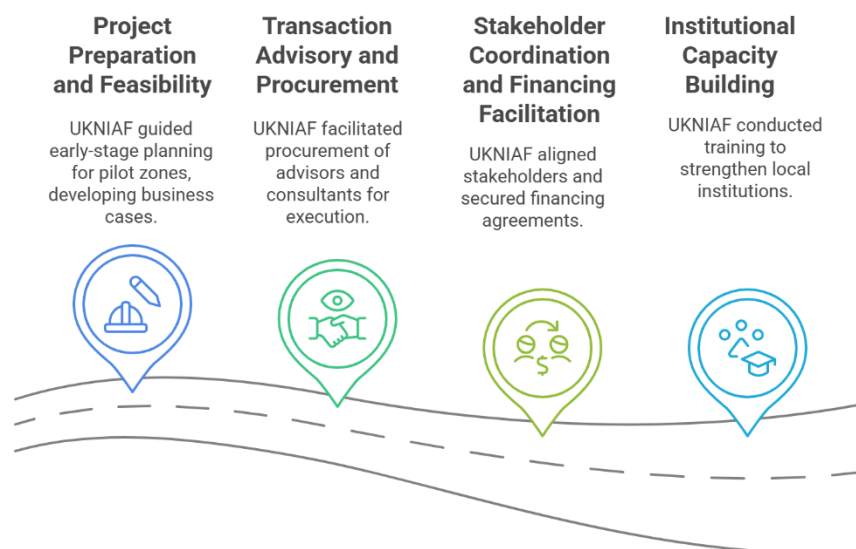


## UKNIAF's Role

UKNIAF's support to the SAPZ programme was multifaceted, targeting the critical gaps that could otherwise undermine the SAPZ initiative, project readiness and implementation. Key contributions included:

- Project Preparation and Feasibility:** UKNIAF guided the early-stage planning for the pilot zones, helping to translate ideas into robust business cases. In Kaduna, this meant preparing a detailed concept note and Outline Business Case (OBC) for the proposed Green Agro-Allied Industrial Zone, while in Oyo a similar OBC study was developed. These business cases assessed and evaluated the commercial viability of the zones from a private-sector perspective, outlining revenue models, costs, and risk mitigation strategies, while aligning with both state development priorities and investor expectations. Notably, the team incorporated climate resilience and phasing strategies into the designs – In Kaduna, for example, phased development approach was advised-to start small and scale up, which improved the projected bankability of the zone. The result was a business case with a strong benefit-cost ratio an internal rate of return exceeding investment benchmarks, offering clear justification for government approval and private sector interest.
 **Transaction Advisory and Procurement:** To move from plans to execution, the states needed to bring on board specialized advisors and engineering firms. UKNIAF provided hands-on support in procuring transaction advisors (for PPP deal structuring and investor outreach) and design consultants (for detailed zone masterplans) for both Kaduna and Oyo. This involved drafting procurement strategies and tender documents – such as Requests for Expression of Interest (REOI), Requests for Proposals (RFP), and Terms of Reference – in line with multilateral development bank standards. UKNIAF's involvement helped secure the necessary “no-objection” approvals from AfDB for these procurements; a crucial step to maintain momentum. By funding and advising on interim technical studies, UKNIAF also filled gaps while waiting for the main loan funds to flow, ensuring that critical preparatory work (like site surveys and environmental studies) did not stall.
- Stakeholder Coordination and Financing Facilitation:** Acting as both neutral convener and technical coordinator, UKNIAF was instrumental in aligning the various stakeholders – from federal ministries to state agencies to AfDB/IFAD – around a unified implementation plan. The UKNIAF team convened and facilitated strategic workshops and numerous meetings that clarified roles and responsibilities. directly contributing to the finalization of key agreements. This behind-the-scenes diplomacy was pivotal in reaching the signing of the core financing agreements: the loan agreement between the AfDB and Nigeria's federal government, and subsequently the Subsidiary Loan Agreements between the federal government and each participating state. By helping Kaduna and Oyo meet the financing conditions precedent (such as providing detailed project documents and institutional arrangements), UKNIAF effectively unlocked access to the program's \$500 million funding pool. and significantly de-risked the early stages of the project for the financiers – they could be confident that an experienced team was driving the process to meet their standards.
- Institutional Capacity Building:** A cornerstone of UKNIAF's approach was its emphasis on leaving behind strengthened institutions. Throughout the project, the team organized targeted capacity-building initiatives, including training sessions and workshops that brought state officials up to speed on PPP principles, project finance, and zone management best practices. During the development of the OBCs, for example, workshops in each state engaged officials from ministries of agriculture, finance, and justice, as well as investment promotion agencies, to jointly review findings and refine project strategies. This not only ensured local buy-in but also knowledge transfer to the people who would eventually oversee SAPZ implementation. UKNIAF advisors worked closely with the National Coordination Office as well, helping to strengthen its capacity to coordinate across states and manage technical outputs. By the end of UKNIAF's engagement, Kaduna's Investment Promotion Agency (KADIPA) and Oyo's State Agribusiness Agency (OYSADA) were better equipped to drive the projects forward, having been actively involved in each step of the preparation process.

## UKNIAF's Role in SAPZ Development



## Implementation Insights

*From Plans to Reality – a Practitioner’s Narrative of the SAPZ Rollout in Kaduna and Oyo.*

**Building on Existing Initiatives in Kaduna:** The journey began in Kaduna State, which had laid some groundwork for agro-industrial development even before the national SAPZ program. Kaduna was in discussions with private developers on a Green Agro-Allied Industrial Zone (GAAIZ) project – essentially a state-driven precursor to SAPZ. When UKNIAF entered the scene in 2021, it leveraged this momentum by reviewing the existing techno-economic feasibility studies and aligning them with AfDB’s SAPZ framework. The idea was to ensure Kaduna’s plans could slot seamlessly into the broader program and meet international financiers’ requirements. Early on, UKNIAF and state officials coalesced around a private-sector-led vision for the zone, but not without debate. Some stakeholders initially favoured a traditional government-led approach to developing the industrial park, reflecting a wariness of PPP models. Through workshops and evidence from similar projects, the team helped persuade local decision-makers that bringing in private co-investors and operators would accelerate development and improve sustainability. Kaduna’s SAPZ blueprint stressed climate-smart infrastructure and boosting key agricultural value chains – for instance, adding processing for crops like maize, ginger, and soybean to drive higher value products.

As preparation of Kaduna’s SAPZ advanced, two unforeseen challenges tested the team’s adaptability. First, concerns about security in parts of the state posed a potential risk to investor confidence and construction safety. In response, UKNIAF advocated a phased development plan concentrating initial investments in a core area that could be secured and serviced reliably. This phased approach allowed the project to start on solid footing and proved to AfDB that security risks were being proactively managed. The team also led site reconnaissance trips and preliminary investor outreach to validate the project’s assumptions on the ground – visiting the proposed zone site and engaging with potential agro-industry investors. The second challenge was political: a change in the state’s leadership introduced uncertainty about the site selection for the zone. The incoming administration had different ideas on where the SAPZ should be located, which could have derailed months of planning. UKNIAF navigated this by staying closely engaged with the new decision-makers, communicating the merits of the chosen site while remaining open to adjustments. By maintaining open channels and demonstrating flexibility, the project’s core objectives were preserved even as specifics shifted. Ultimately, Kaduna’s diligence paid off – with UKNIAF’s support, the state secured formal approvals for the project (including endorsement by the KADIPA PPP board) and signed a \$38 million Subsidiary Loan Agreement by the end of 2022 to fund its SAPZ infrastructure. (KADIPA’s sign-off meant the project met the state’s legal requirements for PPPs, enabling it to proceed to investor procurement.) This marked a turning point: what started as an idea was now backed by concrete financing, and the focus could shift to implementation and investor engagement.

**Pivoting from Ogun to Oyo:** While Kaduna was making headway, the SAPZ program’s multi-state nature meant progress depended on several actors. Ogun State had initially been slated as another UKNIAF-assisted SAPZ site, but early attempts ran into roadblocks. Despite being part of the AfDB’s first-phase states, Ogun was slow to provide necessary information and appeared to have its own plans underway (including talks with a private industrial zone developer, Arise Integrated Industrial Platforms). UKNIAF teams found it difficult to gain traction without strong buy-in from the state. Realizing that time and resources would yield better results elsewhere, they made a strategic decision: focus on Oyo State instead. Oyo also benefited from prior engagement with the UK development program (FCDO), meaning there was already a foundation of support and understanding in the state. As one project lead later recalled, the pivot was pragmatic – *“since Oyo State is part of the first phase, let’s support Oyo State”*. This underscored the agility required in state selection. Oyo had shown interest and had support from development partners, making it a more receptive candidate for

technical assistance. By mid-project, UKNIAF redeployed its efforts to Oyo, effectively demonstrating the agility to “fail fast” in one location and intensify support where conditions were more favourable.

**Tailoring the Approach in Oyo:** Unlike Kaduna, which had an existing project concept, Oyo State’s context differed in important ways, underscoring the lesson that one size does not fit all in project development. Oyo’s SAPZ needed to be built largely from scratch but could draw on the institutional strength of Oyo’s Agribusiness Development Agency (OYSADA). Oyo’s rich agricultural base (notably its cassava production) offered opportunities to attract agribusiness investors. In discussions, the team envisaged that if, for example, a multinational company interested in cassava processing for export could be lured to set up in the zone, it would significantly boost the local value chain and encourage supporting small businesses. With the land issue on its way to resolution, the team proceeded to craft Oyo’s OBC, carefully calibrating the project scope to match the state’s capacity and market realities. The resulting plan emphasized pragmatic, mid-scale development – ambitious enough to transform the local agro-economy, yet realistic in terms of investment and execution. Oyo State leaders embraced the plan and moved quickly to endorse it, empowered by the knowledge transferred during the joint planning process. By the time Oyo inked its own subsidiary financing agreement, it had not only a blueprint in hand but also a clearer understanding of what it would take to implement it.

**Orchestrating Partnerships and Moving to Implementation:** Beyond the individual state efforts, a significant insight from the SAPZ experience is the value of a strong coordinating mechanism. Although the National Coordination Office had been established, it often required on-the-job technical and operational support to fulfil its mandate of aligning federal and state actions. UKNIAF advisors stepped in to assist the NCO in drafting operational guidelines, setting up monitoring systems, and facilitating dialogue among the diverse stakeholders. They were deeply involved in multi-party workshops – for instance, helping to develop a SAPZ Program Implementation Manual and a clear action plan for states to meet AfDB’s disbursement conditions. UKNIAF also joined AfDB supervision missions to Kaduna and Oyo, offering frank assessments of progress and bottlenecks from a technical perspective. These joint missions reinforced accountability and kept the project on the radar of senior officials. In one pivotal meeting at the Ministry of Finance in Abuja, representatives from the federal ministries, NSIA, and the pilot states convened around a table piled with draft agreements. Initial exchanges were cautious – each party protecting its interests – but as UKNIAF’s facilitators walked everyone through the proposed implementation plan step by step, the atmosphere shifted. Questions about who would maintain roads or manage funds, found answers in the clear delineation of responsibilities. By the day’s end, the stakeholders reached an understanding and shook hands on a framework that would later be formalized in the tripartite agreement. One of the most critical moments came when the Federal Ministry of Finance, the Federal Ministry of Agriculture, the NSIA, and the participating states had to agree on a tripartite Memorandum of Understanding spelling out each party’s contributions and responsibilities. Having UKNIAF’s experienced facilitators in the room proved invaluable to bridging differences in perspective and clarifying expectations. The end result was a more synchronized approach: federal loans were channelled appropriately, state governments took ownership of on-ground execution, and AfDB/IFAD had confidence that their funds were being managed under a cohesive framework.

By early 2023, the Kaduna and Oyo SAPZs had achieved several major milestones that positioned them for the next phase. Each state had engaged transaction advisors tasked with structuring a public-private partnership transaction and run a competitive bidding process to procure a private developer-operator (design-build-operate partner) for the zone, cementing the envisioned private-sector-led operating model. Both states had also fully established Project Implementation Units staffed with trained personnel and. The necessary preparatory studies (engineering designs, environmental assessments, market analyses) were largely completed or underway. Most importantly, the stakeholder alignment painstakingly built over the previous two years was paying off: government ministries, financing partners, and local agencies were now pulling in the

same direction. The projects were effectively “investment-ready” – meaning that when procurement for construction and concessionaires commenced, there was a shared understanding of the goals and a clear structure for achieving them. This level of preparedness is unusual in projects of this nature and scale. It was achieved by proactively addressing issues that commonly cause delays: securing land and community buy-in early, ensuring local capacity to manage funds, and structuring deals attractive to private investors. **In the words of one advisor, “the dynamic nature of the project demanded continuous flexibility and learning, but the payoff was a template that future states and countries can emulate.”**

The SAPZ initiative in Kaduna and Oyo thus transitioned from planning to implementation with confidence, albeit with open eyes about the challenges that would still lie ahead during construction and operation. Both pilot zones are expected to catalyze substantial socio-economic benefits – from creating thousands of jobs to significantly increased farmer incomes and improved food security in their regions. If successful, Kaduna and Oyo’s SAPZs, will serve as a proof-of-concept, validating Nigeria’s bold bet that special agro-industrial zones can spark inclusive, sustainable industrialization across the country.

## Lessons Learned

Several practical lessons emerged from the SAPZ experience in Kaduna and Oyo. These insights, drawn from on-the-ground practitioners, can inform similar initiatives:

- **Align Stakeholders Early:** Achieving a common vision among all players at the outset is vital. Early buy-in from federal, state, and financing partners helps pre-empt later delays. In Kaduna and Oyo, some delays did occur when federal and state actors were initially not on the same page – underscoring that time spent up front on alignment reduces time lost in renegotiation later. In this case, time invested up front in aligning priorities – through stakeholder workshops and clear communication – paid dividends by smoothing the path for agreements and implementation.
- **Tailor Solutions to Local Context:** One size does not fit all when replicating programs across different regions. Each state has different levels of capacity and existing initiatives that must be factored into the SAPZ design. One project lead emphasized this point: **“one size does not fit all... each state has different levels of capacity and existing initiatives”**. A thorough assessment of local conditions (administrative capacity, existing agribusiness projects, land and security issues) enabled a custom approach for Kaduna versus Oyo, rather than a cookie-cutter model. This was evidenced by how Kaduna’s plan needed to address security concerns, whereas Oyo’s focused on environmental permitting – two very different priorities requiring different strategies.
- **Invest in Preparation (Don’t Rely Solely on Donors):** A key lesson is the importance of financing project preparation and studies early, even if it means using government resources or grant funds. Relying entirely on the main loan for preparatory work can create delays. In fact, without UKNIAF stepping in, certain activities might have missed windows or dragged on much longer due to funding bottlenecks. In the SAPZ case, gaps in data and planning were addressed by UKNIAF’s bridged funding and expertise, but ideally the state or program should earmark funds to get projects investment-ready without waiting for loan disbursements.
- **Strengthen Institutional Champions:** Successful implementation hinges on the capacity of a credible lead institution in each state. Projects like SAPZ need a capable “home” institution in each jurisdiction. (For example, Kaduna’s KADIPA and Oyo’s OYSADA served as nodal agencies for their respective zones. Identifying the agency with the most leverage – be it an investment promotion agency, agribusiness agency, or governor’s office – and building its capacity is a recipe for sustainability. The Kaduna and Oyo teams benefitted from empowering KADIPA and OYSADA respectively, which improved coordination and preserved institutional knowledge for future phases.



Development partners should make capacity-building a core part of project support, not an afterthought.

- **Integrate Climate and Sustainability from Day One:** Modern infrastructure projects must meet evolving environmental and social standards to attract global investment. Incorporating climate resilience and sustainability considerations (for example, integrating solar power and modern waste management systems into zone designs) into the SAPZ design from the start was a winning strategy. It not only made the projects eligible for climate-linked funds but also ensured long-term viability (for example, through renewable energy integration and sustainable land use in the zones).
- **Deploy Multi-Disciplinary Expertise:** The complexity of an agro-industrial zone – blending infrastructure, finance, agriculture, and community issues - requires expertise across multiple domains. UKNIAF's support team embodied this principle – it included PPP specialists, financial analysts, engineers, and environmental experts working in concert – something that state governments alone would have struggled to assemble. One lesson learned is that having a multi-disciplinary team of experts is not just beneficial but necessary. UKNIAF's team composition was credited with successfully navigating diverse challenges, underscoring that technical assistance programs should deploy expertise across all relevant fields.

### Aligning Stakeholders for Successful SAPZ Implementation



## Challenges and Mitigations

Implementing the SAPZ project presented a host of challenges.



Each challenge required a tailored response to keep the initiative on track. Key challenges and how they were mitigated included:

- Divergent Stakeholder Visions:** Early in the process, stakeholders held differing views on the delivery model of the project. While some envisioned a government-run project, others pushed for a private-sector-led model. This misalignment **risked delaying progress**. For instance, some state officials initially assumed the government would directly develop and run the facilities, whereas the AfDB and other financiers were expecting to bring in private operators – a fundamental difference in approach that had to be resolved. **Mitigation:** UKNIAF facilitated continuous dialogue and workshops to build consensus around the PPP approach. By sharing success stories and aligning the project with AfDB's requirements, the team gradually brought key players on board. Ongoing stakeholder engagement helped ensure that all parties committed to a unified delivery model despite initial differences.



- **Complex Coordination and Bureaucratic Delays:** The SAPZ involved multiple agencies (federal ministries, state governments, and funding partners), which led to protracted negotiations on roles and responsibilities. Early in the process, aligning the Federal Ministry of Finance, Ministry of Agriculture, state authorities, and NSIA under a common framework proved difficult, delaying the fulfilment of loan conditions. **Mitigation:** UKNIAF played an intermediary role by clarifying the implementation framework and drafting agreements that delineated each party's role. Through facilitation and persistent follow-up, the necessary tripartite agreements were reached and conditions precedent (like setting up coordination units and committing counterpart resources) were satisfied, allowing the AfDB loan to become effective.
- **Insufficient Data and Information Gaps:** Both states initially lacked some of the detailed data needed for rigorous planning – basic figures like local crop yields, transport costs, or current processing capacity were often scarce or outdated – making it challenging to produce credible business cases. **Mitigation:** The team compensated by using proxies and benchmarks. Where local data was missing, they drew on experience and statistics from similar projects in other countries or regions (for instance, using cost and yield benchmarks from an agro-processing park in another African country when local figures were unavailable). They also commissioned rapid assessments (e.g., soil tests, market soundings) to gather critical data. This approach ensured that planning could proceed on a sound basis, even as more data was being collected.
- **Limited State Funding for Early Activities:** The SAPZ program assumed that once loans were signed, funds would be available for hiring advisors and doing detailed design. In reality, there was a catch-22: those preparatory steps were needed to meet many loan conditions. However, state governments had scant budget to finance transaction advisors or technical studies on their own. This constraint caused some delays in kicking off critical activities. **Mitigation:** UKNIAF's technical assistance partially filled this gap by sponsoring and managing early-stage studies and advisor procurements. This interim support kept the ball rolling until the AfDB loan disbursements could pick up these costs. The experience also led to a recommendation for future phases: secure grant funding or special government allocations for project prep, so that momentum isn't lost waiting for loan funds.
- **Varying Levels of Commitment:** Not every participating state moved at the same speed. The case of Ogun State illustrated how a lack of engagement can impede a project – Ogun's indecision and absence of timely data stalled progress to the point that UKNIAF redirected its efforts elsewhere. UKNIAF tried to energize Ogun's participation by holding strategy sessions and even taking officials to visit a successful industrial park (to illustrate the SAPZ potential), but these efforts yielded little engagement. **Mitigation:** The program adapted by concentrating resources on states that demonstrated readiness and commitment (like Oyo). This flexible allocation of support ensured that overall program goals were met through the willing states, rather than letting one slow mover hold back the entire initiative. It underscores the importance of maintaining flexibility to pivot support when necessary, focusing on the areas with the best chance of success.

## Replicable Framework and Actionable Insights

This section distils the SAPZ experience in Kaduna and Oyo into a replicable roadmap for similar agro-industrial and PPP projects. It identifies what to do, how to do it, and the strategic value-add provided by UKNIAF's technical assistance.

### Key Focus Areas and Strategic Actions

| Key Focus Area                            | Strategic Actions  | Implementation Steps   | Challenges & Mitigations  | Replicability & Value-Add  |
|---|--|--|---|--|
| <b>Project Preparation</b>                | <ul style="list-style-type: none"> <li>- Conduct comprehensive feasibility studies and risk assessments</li> <li>- Align project design with both investor and local government priorities</li> </ul>  | <ul style="list-style-type: none"> <li>- Develop detailed concept notes and Outline Business Cases</li> <li>- Engage local stakeholders for initial input and data collection</li> </ul>               | <ul style="list-style-type: none"> <li>- Overcoming data gaps: Use proxies and rapid assessments</li> <li>- Early security/land issues: Phased development</li> </ul>           | <ul style="list-style-type: none"> <li>- Early-stage investment in preparatory activities de-risks the overall project</li> <li>- Provides a blueprint for meeting DFI financing criteria</li> </ul>   |
| <b>Procurement of Design Consultants</b>  | <ul style="list-style-type: none"> <li>- Institute a competitive and transparent tender process</li> <li>- Draft robust REOs/RFPs aligned with international standards</li> </ul>                      | <ul style="list-style-type: none"> <li>- Issue clear tender documents</li> <li>- Use multi-disciplinary evaluation panels to select the best fit</li> </ul>  | <ul style="list-style-type: none"> <li>- Delays due to misaligned expectations: Use pre-tender workshops with potential consultants</li> </ul>                                  | <ul style="list-style-type: none"> <li>- Standardizes procurement practices</li> <li>- Ensures high-quality technical design input that is adaptable across regions</li> </ul>                         |
| <b>Securing Transaction Advisors</b>      | <ul style="list-style-type: none"> <li>- Pre-qualify advisors with expertise in PPP structuring and agro-industrial projects</li> <li>- Leverage agile contracting to fast-track engagement</li> </ul> | <ul style="list-style-type: none"> <li>- Map out required expertise early</li> <li>- Establish flexible contracting arrangements with performance milestones</li> </ul>                                | <ul style="list-style-type: none"> <li>- Slow dealer engagement: Bridge interim funding for technical studies</li> <li>- Align advisory selection with project risks</li> </ul> | <ul style="list-style-type: none"> <li>- Creates a replicable structure for engaging financial and legal expertise</li> <li>- Boosts investor confidence through rigorous advisor selection</li> </ul> |
| <b>Collaboration with AfDB &amp; IFAD</b> | <ul style="list-style-type: none"> <li>- Foster consistent stakeholder coordination through regular workshops and meetings</li> <li>- Harmonize technical</li> </ul>                                   | <ul style="list-style-type: none"> <li>- Schedule multi-party coordination meetings</li> <li>- Develop joint guidelines, including an operational blueprint for PPP and financing readiness</li> </ul> | <ul style="list-style-type: none"> <li>- Coordination complexity: Use a neutral convener (UKNIAF) to streamline dialogue</li> <li>- Address diverging</li> </ul>                | <ul style="list-style-type: none"> <li>- Demonstrates the value of unified collaboration for unlocking early-stage financing</li> <li>- Offers a framework for replicating such</li> </ul>             |

| Key Focus Area | Strategic Actions                 | Implementation Steps | Challenges & Mitigations               | Replicability & Value-Add             |
|----------------|-----------------------------------|----------------------|--|---------------------------------------|
|                | outputs with financing conditions |                      | stakeholder visions through clear MoUs | funding alignments in future projects |

*Table: Replicable SAPZ Development Framework*

## Key Takeaways

- **Early Alignment:** Prioritize stakeholder engagement at the very start—this minimizes later delays and ensures that both public and private partners are on the same page.
- **Tailored Processes:** Recognize that local context demands flexibility. Tailor procurement and project preparation steps to the specific capacities of each state.
- **Strategic Value:** UKNIAF's role not only de-risked the early stages but also provided a replicable model, ensuring that best practices in project preparation and financing can be transferred to similar initiatives.
- **Actionable Lessons:** This framework serves as a quick reference guide for practitioners and policymakers, detailing “what to do, how to do it, and why it matters”—a blueprint for driving sustainable agro-industrial development.

## Recommendations

The following recommendations emerge from the case study for consideration by policymakers, development partners, and practitioners involved in similar technical assistance and infrastructure programs:

1. **Secure Early Stakeholder Alignment:** Right from the program design phase, convene all key stakeholders (federal, state, and funding partners) to agree on the project vision, delivery model, and roles. Formalize this alignment through frameworks or MOUs to prevent divergence down the line. (For example, forming a high-level steering committee representing all stakeholders from the outset). In multi-state programs, engage every participating state in these discussions to foster broad buy-in, even if intensive support will focus on a subset.
2. **Integrate Local Context into Program Design:** International financiers and program designers should incorporate on-the-ground insights when crafting initiatives. One way is to involve technical assistance teams at the earliest stages – for example, having experienced local advisors inform the design of loan programs and their conditions. This ensures that strategies are realistic, culturally attuned, and cognizant of each location's unique challenges and opportunities.
3. **Provide Dedicated Funding for Project Preparation:** Donors and governments should set aside grant resources or counterpart funds specifically for project preparation activities (feasibility studies, transaction advisors, designs) that need to happen before large loans disburse. Notably, even modest funds (a few percent of total project cost) invested early can have outsized impact on timely delivery. Front-loading this support accelerates readiness and prevents the project from stalling in its early stages. In practice, this might mean establishing a project development facility or bridging fund that can be accessed as soon as a project concept is approved.
4. **Empower and Equip Local Institutions:** Identify a lead implementing agency at the state level and invest in its capacity from day one. (For instance, a state investment promotion agency or specialized agribusiness agency can act as the institutional champion.) This could involve training staff, embedding advisors, or twinning with more experienced organizations. A strong local champion – with the authority and skills to coordinate across sectors – will ensure continuity and drive the project forward even after external support tapers off. Building such capacity is an investment in the long-term sustainability of the project. Development partners should incorporate capacity-building as a core part of project support, not an afterthought.
5. **Adopt a Flexible and Adaptive Implementation Approach:** Complex projects benefit from adaptive management. Implementers should be prepared to pivot in response to ground realities – whether that means reallocating resources to more committed partners (as was done by moving support from Ogun to Oyo) or revising project components to address unforeseen issues (like Kaduna's site change or Oyo's land title issue). Adopting an adaptive management approach – with regular progress check-ins and feedback loops – allows the program to course-correct when needed. Flexibility should be built into work plans, and teams should continuously monitor context so they can respond quickly. An agile approach, underpinned by open communication, can turn potential setbacks into manageable adjustments.
6. **Prioritize Comprehensive, Multi-Disciplinary Support:** Future technical assistance programs should mirror the broad skill set that UKNIAF deployed. This means pairing infrastructure finance expertise with sectoral knowledge (agriculture value-chains), environmental and social safeguards, legal and procurement know-how, and capacity-building capabilities. If an implementing agency lacks some of these skills internally, it should seek partnerships or advisory support to fill the gaps. A holistic support package ensures that all aspects of project development advance in parallel, greatly increasing the likelihood of a bankable and implementable project at the end of the intervention.

### Optimizing SAPZ Implementation



## Conclusion

In conclusion, the SAPZ case underscores that ambitious initiatives require equally robust support systems. By following the above recommendations – aligning stakeholders, tailoring to context, funding preparation, strengthening institutions, remaining flexible, and deploying the right expertise – practitioners can significantly enhance the impact and success rate of complex infrastructure programs. The experience from Kaduna and Oyo’s agro-industrial zones offers a road map for others looking to unlock investment and achieve sustainable development outcomes through well-prepared, well-executed projects.