



## **Sokoto State Investment Company Limited (SICL) Investment Approval Process**

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In Accordance with the provisions of the Sokoto State Investment Company Limited Law & Other Matter  
Connected

Large-scale agricultural investments in Sokoto state are underpinned by a framework defined by Sokoto State Investment Company Limited FRILIA Principles. This large-scale agricultural investment approval process has been designed to be in line with the principles of FRILIA. It consists of the following six stages:

Process Stage	Responsible Party
<b>Stage 1: Initial Inquiries &amp; Know Your Customer (Due Diligence) Assessments</b> A. SICL should be the primary entry point for ALL large-scale agricultural investments in Sokoto State B. SICL approached by potential investor (or in some cases SICL may reach out to a potential investor) C. SICL conducts preliminary due diligence on investor and provides investor with information related to potential investment. D. Possible initial engagement with community if area has been preliminarily identified. Two weeks.	SICL, Sokoto State Ministry of Agriculture

<p><b>Stage 2: Information Exchange &amp; Site Visits</b></p> <p>A. SICL continues to provide information and resources the potential investor may need to proceed with the investment. Also coordinates the investor’s interaction with other government agencies and helps the investor locate service providers.</p> <p>B. SICL arranges for site visits for the investor after notifying local officials and communities of investor interest.</p> <p>C. SICL notifies local government officials, other ward and community stakeholders to engage in internal consultations and then to respond preliminarily whether they might welcome the investment.</p> <p>Two weeks</p>	<p>SICL, Ministry of Land, Ministry of Local Government, Ministry of Finance, Investors, LGA Officials, Community Leaders, Traditional Leaders, CSOs.</p>
<p><b>Stage 3: Potential Investor Proceeds or Withdraws</b></p> <p>A. The investor reacts to the community’s initial response to the potential investment and the investor’s own assessment of the viability of the investment and potential site. If the investor decides to withdraw, the process stops. If the investor wishes to consider a different location within the State, the process reverts to Stage 2. The process also ends if the community decides not to proceed.</p> <p>B. If the potential investor decides to proceed and the community is supportive, the investor should engage further, build relationships with the community and get them fully involved. The investor and the community (with legal assistance provided by Sokoto State Ministry of Justice should begin to discuss a community engagement plan to guide the ongoing consultations.</p> <p>Two weeks</p>	<p><b>SICL, Ministry of Agriculture, Ministry of Justice, Investors, Community Leaders, Traditional Leaders, LGA Officials, CSO</b></p>
<p><b>Stage 4: Investor Enters into a Memorandum of Understanding (“MoU”) with SICL and Representatives of the Affected Communities.</b></p> <p>A. SICL does more in-depth due diligence on the investor and SICL shares additional due diligence findings with other stakeholders.</p> <p>B. Consultations with the community continues and a community engagement plan may be agreed to at this point.</p> <p>C. If all parties continue to be supportive of the proposed investment, they attempt to agree on an MoU that covers the framework of the investment, how much land is required, benefits that may accrue to the community, commitments to ongoing consultation, preparation of an ESIA, etc. The MoU does not legally commit any party to a final</p>	<p><b>SICL, Ministry of Agriculture, Community Leaders, Traditional Leaders, Ministry of Justice, CSO, LGA officials, Ministry of LGA, Ministry of Environment</b></p>

agreement on the proposed investment. Two weeks	
<b>Stage 5: Investor Completes and Shares a Feasibility Study, Business Plan and an independent Environmental and Social Impact Assessment (ESIA).</b> A. Sokoto state Ministry of Environment makes its determination whether the ESIA is acceptable and notifies the investor within seven working days of receiving it. B. If not already completed, a community engagement plan should be finished in this stage. C. Land lease discussions can continue (if begun in a previous stage) or begin. Leases should not be finalized and signed until Stage 6. Three weeks (Fees to be determined)	<b>SICL, Ministry of Agriculture, Community Leaders, Traditional Leaders, Ministry of Justice, CSO, LGA officials, Ministry of LGA, Ministry of Environment</b>
<b>Stage 6: The parties enter into Final Agreements.</b> A. The final agreement is likely to be contained in several individual agreements or could be combined into one document. While the precise requirements will vary, approved investment is likely to include some or all of the following: <ol style="list-style-type: none"> <li>1. Land lease agreement</li> <li>2. Outgrower contract(s)</li> <li>3. Community impact and benefit agreement</li> <li>4. Community engagement plan</li> <li>5. Monitoring plan</li> <li>6. Inclusive, accessible and equitable dispute resolution mechanisms</li> </ol> Two weeks (Fees to be determined)	<b>SICL, Ministry of Agriculture, Community Leaders, Traditional Leaders, Ministry of Justice, CSO, LGA officials, Ministry of LGA, Ministry of Environment, SEPA, Local Farmers, etc.</b>

*The six stages provide an overarching framework that guides all the toolkits of FRILIA. However, the unpacking of these stages varies from one toolkit to another. Hence, each of the FRILIA toolkits has its own approach embedded within the overall investment project cycle.*