



# **ZAMFARA STATE INVESTMENT APPROVAL PROCEDURE manual**



# GUIDING PRINCIPLES

The information provided in this document represent the suscint guide on the approval procedure for all Medium - Large Scale Investments in Zamfara State; designed in accordance with the provisions of the Zamfara Investment Promotion Agency (ZIPA) Establishment Law, 2023, and other matters connected therewith.

By design, Large-scale Industrial Investments in the state are modelled to be operated on a “Build, Operate, and Transfer” or BOT Framework. Thus, the details of this Medium - Large Scale Industrial Investment Approval Procedure have also been designed to align with the FRII Principles; which consists of the following 6 stages:

| <b>STAGES</b>                                                                                              | <b>OVERVIEW</b>                                                                                                                                                                                                                      | <b>RESPONSIBLE PARTY(IES)</b>                                                                  |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <b>1 -<br/>Due Diligence:<br/>Initial Inquiries &amp;<br/>Know Your<br/>Customer (KYC)<br/>Assessments</b> | At this stage, focus SHALL be on protocols for entry and approach, due diligence practices, as well as protocols for initial engagement                                                                                              | All Ministries /<br>Departments<br>/Agencies, Zamfara<br>Investment Promotion<br>Agency (ZIPA) |
| <b>2 -<br/>Information<br/>Exchange &amp; Site<br/>Visitations</b>                                         | Here, the focus SHALL be on continuously providing the information required to make informed decisions about potential investors; while also coordinating necessary interactions with government agencies; and/or service providers. | Zamfara Investment<br>Promotion Agency (ZIPA)                                                  |
| <b>3 -<br/>Decision to Proceed<br/>or to Withdraw</b>                                                      | This stage is more about the reaction of the intending investors, whose feedback will determine the forward progression along the stages of this ZIAP Guidebook.                                                                     | Ministry of Justice and<br>the Zamfara Investment<br>Promotion Agency (ZIPA)                   |



| <b>STAGES</b>                                                                                                                                                                                                            | <b>OVERVIEW</b>                                                                                                                                                                                                                                                                                                                             | <b>RESPONSIBLE PARTY(IES)</b>                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4 -<br/>Initiating a<br/>Memorandum of<br/>Understanding<br/>(MoU) with<br/>relevcant<br/>stakeholders</b>                                                                                                            | At this stage, it is established that preliminary due diligence protocols have been satified. Then, it is the turn of the Ministry of Justice and the implementing MDAs to perform another level of due diligence at it concerns the statements of the Memorandum of Understanding (MoU) that is being entered initiated, and entered into. | Ministry of Justice, Ministry of Budget and Economic Planning, Zamfara Investment Promotion Agency (ZIPA), and Zamfara State Environmental Protection Agency |
| <b>5 -<br/>Investor<br/>Completes and<br/>Shares a<br/>Feasibility Study,<br/>Business Plan and<br/>a statement from<br/>an independenly<br/>conducted<br/>Environmental<br/>and Social Impact<br/>Assessment (ESIA)</b> | In this stage, the intending investor is expected to provide a brief but comprehensive statement or report of their independent assessment of of the investment opportunities that have been presented to them, as well as their feasibility stujdy, and business plan.                                                                     | Ministry of Lands & Housing, Ministry of Justice, Zamfara Investment Promotion Agency (ZIPA), Zamfara State Environmental Protection Agency, and NASREA      |
| <b>6 -<br/>Final Agreements</b>                                                                                                                                                                                          | At this stage where the final agreements on the bsuiness being entered into is to be signed, the details of comprehensive agreement can be several individual documents or be combined in one.                                                                                                                                              | Ministry of Justice, Ministry of Budget & Economic Planning, Zamfara Investment Promotion Agency (ZIPA), Price Intelligence & Public Procurement Bureau      |



# **PROCEDURE DETAILS BY STAGES**

## **1 Due Diligence: Initial Inquiries & Know Your Customer (KYC) Assessments**

1. Zamfara Investment Promotion Agency should be the primary entry point for ALL medium -large-scale industrial investments in Zamfara State.
2. Ministries/Departments/Agencies can be approached by potential investor; and/or in some cases Zamfara Investment Promotion Agency may reach out to a potential investor.
3. Zamfara Investment Promotion Agency will conduct preliminary due diligence on investor(s) and provide investor(s) with information related to potential investment(s).
4. Conduct possible initial engagement with community if area has been preliminarily identified.

## **2 Information Exchange & Site Visitations**

1. Zamfara Investment Promotion Agency shall continue to supply the potential investors may require to satisfy their inquiries about preferred investment opportunity.
2. ZIPA shall also coordinate the investor's interaction with relevant and necessary government agencies; as well as help the investor locate required service providers.
3. Zamfara Investment Promotion Agency, in collaboration with relevant implementing Ministries/Departments/Agencies (MDAs) shall arrange for investors to visit investment sites after duly notifying local officials and communities of investor interest.



## **2** **Information Exchange & Site Visitations**

**4. Zamfara Investment Promotion Agency(KIPA) shall notify local government officials, other ward and community stakeholders to engage in internal consultations; so as to get preliminary consent as to whether they might welcome the investment**

## **3** **Decision to Proceed or to Withdraw**

- 1. The investor shall be allowed to react to the community's initial response to the potential investment, as well as give their own assessment of the viability of the investment and its location.**
- 2. Should the investor decide to withdraw, the process stops. However, if the investor wishes to consider a different location within the State, the process reverts to Stage 2**
- 3. It is imperative to note that the process can also be stopped, should the community decide not to proceed.**
- 4. If the potential investor decides to proceed and the community is supportive, the investor shall be given the opportunity to engage further, and build relationships with the community; to get them fully involved.**
- 5. The investor and the community (with legal assistance provided by Zamfara State Ministry of Justice shall then begin to discuss a community engagement plan to guide the ongoing consultations.**



## **4** **Initiating a Memorandum of Understanding (MoU) with relevant stakeholders**

1. Zamfara State Ministry of Justice, as well as the implementing MDA of the potential investment, shall then proceed to conduct more in-depth due diligence on the investor. The additional findings shall be shared with other relevant stakeholders.
2. On-going still, will be the Stakeholder consultations with the community from which a community engagement plan shall be agreed upon.
3. If all parties continue to be supportive of the proposed investment, then, attempts to agree on an MoU that covers the framework of the investment, how much resources (land and whatever else is required for the investment agreement to take-hold) is required, benefits that may accrue to the community, commitments to ongoing consultation, preparation of an Environmental and Social Impact Assessment, etc.
4. The MoU does not legally commit any party to a final agreement on the proposed investment.

## **5** **Investor Completes and Shares a Feasibility Study, Business Plan and a statement from an independently conducted Environmental and Social Impact Assessment (ESIA)**

1. Zamfara Investment Promotion Agency reserve its right to determine whether the ESIA presented by the intending Investor is acceptable.



## **5 Investor Completes and Shares a Feasibility Study, Business Plan and a statement from an independently conducted Environmental and Social Impact Assessment (ESIA)**

2. If not already completed, a community engagement plan should be finished at this stage
3. Land lease discussions can continue (if already begun in a previous stage).
4. All discussions on leases cannot be concluded until stage when the details of the investment agreements are being finalised.

## **6 Final Agreements**

1. The final agreement is likely to be contained in several individual agreements or could be combined into a single document.
2. While the precise requirements may vary, the approved investment is likely to include some or all of the following:
  - Land lease agreement.
  - Out grower/outourcing contract(s)
  - Community impact and benefit agreement
  - Community engagement plan
  - Monitoring plan
  - Inclusive, accessible and equitable dispute resolution mechanisms
  - Any other relevant document.

*Published by*



**ZIPA**

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