



REPUBLIC OF KENYA



Land  
Commercialization  
Initiative

# INVESTOR FAQs FOR THE LAND COMMERCIALIZATION INITIATIVE (LCI)

Supported by



## 1 What is the Land Commercialization Initiative?

The Land Commercialization Initiative (LCI) is a government-led initiative to unlock idle land owned by public institutions for large-scale commercial agricultural production. The LCI aims to transform Kenya's underutilized agricultural land for enhanced food security by providing opportunities for private sector investment in the agricultural sector.

## 2 What set of Kenyan laws, regulations, and rules govern the LCI?

The LCI was approved through a cabinet memo issued in May of 2022, authorizing the Ministry responsible for Agriculture to implement commercialization of under-utilized public land for agricultural purposes. LCI is further guided by several other relevant national regulatory frameworks which are captured in the Investor Handbook. (refer to Annex 1 of the Investor Handbook for details on the relevant sections of these laws.

## 3 Does the LCI cover all public land parcels?

The LCI's overarching objective is to unlock over 150,000 acres of sustainable irrigable land for commercial agricultural activities. However, the Ministry is commencing the Land Commercialization Initiative through a pilot program. The initial phase focuses on eight selected sites, encompassing a total of 35,700 acres. This pilot phase will provide valuable insights and learnings to inform the subsequent expansion of the initiative.

## 4 Are water and irrigation infrastructure available in all LCI sites?

Water and irrigation infrastructure availability varies on a site-by-site basis. Some pilot sites have access to water and irrigation infrastructure, while others do not. It is the responsibility of the investor to make any additional investments required for water access and irrigation. However, if the investor is providing machinery or infrastructure, fiscal incentives may be negotiated on a case-by-case basis, considering industry standards and best practices.

## 5 Is enabling infrastructure like energy and roads available in all LCI sites?

Similar to water and irrigation infrastructure, the availability of enabling infrastructure such as energy and roads varies from site to site. Some sites have access to these infrastructure components, while others do not. As with water access and irrigation, it is the investor's responsibility to invest in any additional infrastructure needed. In certain cases where the investor provides machinery or infrastructure, fiscal incentives can be considered through individual negotiations, ensuring compliance with standards and best practices.

## 6 Who is eligible to participate in the LCI?

The LCI is open to Kenyan and foreign investors keen on accessing land for commercial agriculture activities that align with the national agenda for increased food security and economic growth. Investors for the LCI are expected to be agribusinesses, but may include qualified individuals, institutions, cooperatives, farmer groups, associations etc. This is not an exhaustive list, however, any individual or entity willing to allocate resources to invest in the LCI, and meets the general screen criteria, will be considered as a target investor for the initiative.

## 7 What are the minimum requirements for participating in the LCI?

To participate in the LCI, investors must meet the following minimum requirements:

- Demonstrate financial capacity, experience, and expertise in delivering investment required.
- Demonstrate how prior similar investments were financed and evidencing how the financing arrangements were set up.
- Demonstrate deep experience in areas of the investment evidenced by having undertaken similar investments, especially in emerging economies.
- Demonstrate technical capacity, experience, and expertise to undertake planning, preparation of business case and risk management.
- Demonstrate experience around executing large agriculture projects that will generate value to the public/citizens in terms of food security, income generation and / or export value.
- Demonstrate capacity and experience on leveraging synergies and structuring financing and technical solutions to ensure the investment is delivered.
- Demonstrate evidence of good planning to enhance community linkages to the project.
- Demonstrate experience and adoption (or planned adoption) of sustainable green technologies, climate smart agriculture, and efficient use of power and water technologies.



## 8 What are the next steps for investors who are interested in participating in the LCI?

Investors who are interested in participating in the LCI should:

- (i) Review the LCI guidelines and requirements.
- (ii) Submit a Letter of Expression of Interest (LOI) to the Ministry of Agriculture and Livestock Development.
- (iii) If the LOI is approved, the investor will be invited to submit a detailed investment proposal.
- (iv) The investment proposal will be evaluated by a technical committee and a decision will be made on whether to approve the investment or not.
- (v) If the investment is approved, the investor will be required to sign a lease agreement with the government.

## 9 What are the benefits of participating in the LCI?

The LCI offers a number of benefits to investors, including:

- Access to large tracts of underutilized land
- A supportive government environment
- The opportunity to contribute to Kenya's food security and socio-economic growth
- The potential to generate significant returns on investment

## 10 What incentives are provided to investors under the LCI?

The LCI itself does not offer specific incentives. However, mandated authorities in Kenya provide both fiscal and non-fiscal incentives applicable to all investors in the country. The Kenya Revenue Authority (KRA) collaborates with other regulators and facilitators such as the Capital Market Authority (CMA) and Export Processing Zones Authority (EPZA) to implement fiscal (tax) incentives as outlined in the Income Tax Act, Laws of Kenya.

The Kenya Investment Authority (KenInvest) assists investors in identifying relevant incentives based on their specific requirements and needs.

## 11 What are the risks associated with participating in the LCI?

The LCI also involves a number of risks, including:

- The risk of political instability
- The risk of natural disasters
- The risk of changes in government policy
- The risk of competition from other investors

## 12 How can investors mitigate the risks associated with participating in the LCI?

Investors can mitigate the risks associated with participating in the LCI by:

- Conducting thorough due diligence
- Partnering with experienced local partners
- Obtaining insurance coverage
- Developing contingency plans

## 13 How can investors raise arising grievances?

Investors can raise grievances through the LCI Secretariat.

## 14 What types of grievances can be raised?

Investors can raise any type of grievance that they have with the LCI, including but not limited to:

- Environmental concerns: Investors can raise concerns about the environmental impact of the LCI.
- Social concerns: Investors can raise concerns about the social impact of the LCI, such as the displacement of local communities.
- Economic concerns: Investors can raise concerns about the economic impact of the LCI, such as the loss of jobs or the decline in property values.

## 15 How will grievances be handled?

The LCI Secretariat will investigate all grievances that are raised. The Secretariat will then take steps to address the grievances, such as:

- Meeting with the investor to discuss the grievance: The Secretariat will meet with the investor to discuss the grievance and to understand the investor's concerns.
- Investigating the grievance: The Secretariat will investigate the grievance to determine whether there is any merit to the complaint.
- Taking steps to address the grievance: If the Secretariat finds that there is merit to the complaint, the Secretariat will take steps to address the grievance. This may include, but is not limited to, talking to the project manager, changing the project plan, or compensating the investor.

