REPORT ON INVESTMENT FACILITATION AND GOVERNMENT SUPPORT FOR GLOBAL INNOVATION LEARNING LAB (GILL) LIMITED / HUNAN UAV INTELLIGENT TECHNOLOGY LIMITED, CHINA

1.0 PURPOSE AND BACKGROUND

This report presents evidence of the steps taken by the Katsina State Government, through the Katsina State Investment Promotion Agency (KIPA), to support and facilitate the proposed investment by Global Innovation Learning Lab (GILL) Limited in partnership with Hunan UAV Intelligent Technology Limited, China.

It is intended to demonstrate how KIPA, following the announcement of the investment, actively discharged its investment promotion and facilitation responsibilities by working with the investor and relevant Government institutions to move the proposal forward.

In April 2025, GILL Limited and its Chinese technical partner approached the Katsina State Government with a proposal to establish a Drone Technology and Innovation Centre under a Public–Private Partnership (PPP) arrangement. The proposal covered drone applications in agriculture, surveying and mapping, infrastructure monitoring and security, as well as training, technology transfer and eventual local assembly/manufacturing.

Following referral of the proposal to KIPA, the Agency engaged the investor and requested further information to enable Government to properly assess the investment. In August 2025, GILL submitted a feasibility and financial report for consideration.

From that point, KIPA coordinated the process required to move the investment beyond the initial proposal stage.

2.0 GOVERNMENT–INVESTOR COORDINATION

Given the nature of the investment and the number of Government institutions involved, KIPA facilitated the establishment of a Joint Steering and Implementation Committee (JSIC).

The Committee brought together KIPA, relevant Ministries and Agencies responsible for Agriculture, Lands and Physical Planning, ICT and Justice, as well as representatives of GILL and Hunan UAV.

Its responsibilities included reviewing the feasibility study and business model, undertaking due diligence, addressing land and legal requirements, facilitating regulatory engagements and guiding the proposed transition to a formal PPP arrangement.

A technical Sub-Committee was subsequently constituted to undertake a more detailed assessment of the proposal, the participating companies, regulatory requirements, possible deployment locations, institutional arrangements and indicative drone pricing.

This arrangement provided the investor with a coordinated Government platform and reduced the need to deal separately with several MDAs.

3.0 TECHNICAL, SECTORAL AND INSTITUTIONAL SUPPORT

As part of the facilitation process, the Committee assessed the practical need for the proposed investment, particularly within the Ministries responsible for Agriculture and Lands.

For Agriculture, potential applications identified included crop monitoring, agricultural spraying and precision farming. For land administration, the assessment covered mapping, surveying, geospatial data collection and boundary verification.

The exercise helped Government and the investor to move from a broad technology proposal to specific applications that respond to identified needs within the State.

Government also assessed the Katsina State Institute of Technology and Management Studies (KSITM) as a possible host for the Drone Centre and related training activities, taking into account its facilities, manpower and capacity to support technical training, subject to the necessary approvals and accreditation.

Potential agricultural deployment areas were equally identified around Daura/Mani, Funtua/Malumfashi and Dutsinma/Kafin-Soli.

These interventions provided the investor with clearer information on potential users, institutional arrangements and areas where the technology could initially be deployed.

4.0 REGULATORY AND TECHNICAL FACILITATION

Because drone operations are subject to Federal aviation and security requirements, Government facilitated engagements with the Nigerian Civil Aviation Authority (NCAA), Nigerian Airspace Management Agency (NAMA), Office of the National Security Adviser (ONSA) and Corporate Affairs Commission (CAC).

The engagements were aimed at understanding the regulatory and security requirements applicable to the proposed investment and identifying the approvals that would be required before operations could commence.

This process clarified that drone operations would require appropriate registration, certification and full compliance with the relevant aviation and security requirements.

KIPA also supported engagement relating to Hunan UAV, the proposed Chinese technical partner. Government considered a study visit to the company's facilities in China under a proposed 50:50 cost-sharing arrangement, to allow State officials to assess its technology, manufacturing capabilities, training arrangements and opportunities for technology transfer.

The intervention therefore went beyond administrative processing of the proposal and addressed some of the technical and regulatory issues necessary to move the investment towards implementation.

5.0 PPP STRUCTURING AND PROJECT DEVELOPMENT

The investor's feasibility study proposed alternative PPP arrangements, including a BOOT concession and an equity partnership.

Government's review showed that further work was required before a final structure could be adopted. In particular, clarification was required on the parties' financial commitments, revenue arrangements, operational costs, risk allocation, responsibilities, performance requirements, technology transfer, local content and long-term sustainability.

KIPA therefore recommended that these issues be addressed before conclusion of the formal PPP agreement.

A phased implementation approach was also recommended. Rather than proceeding immediately with full-scale deployment, the proposal was to begin with priority applications and MDAs, assess performance and scale up based on demonstrated need and results.

The approach also provided for a central Drone Centre, training of operators and technicians, deployment for agricultural and land-administration applications and completion of the necessary regulatory requirements.

6.0 GOVERNMENT CONSIDERATION AND CURRENT STATUS

Following the technical and institutional review, KIPA prepared a formal report for Government consideration.

The report recommended, among other things, approval of the project in principle, submission of a more detailed financial model, phased implementation, establishment of a central Drone Centre, consideration of KSITM as the host institution, capacity building, regulatory compliance and progression towards a formal PPP arrangement subject to satisfactory financial, technical and legal terms.

Through these interventions, the proposed investment has progressed from an initial expression of investor interest to a structured project that has undergone feasibility review, due diligence, inter-MDA coordination, regulatory engagement, sectoral and institutional assessment, deployment planning and PPP review.

The project continues to be progressed through the appropriate Government and PPP processes, with final implementation subject to conclusion of the outstanding commercial, legal, regulatory and institutional requirements.

7.0 CONCLUSION

The GILL/Hunan UAV project demonstrates the proactive role played by KIPA in supporting an announced investment as part of its core investment promotion and facilitation mandate.

Following receipt of the proposal, KIPA did not limit its role to acknowledging or recording the investment. The Agency engaged the investor, requested and reviewed further information, brought relevant Government institutions together, facilitated regulatory engagement, supported technical and sectoral assessments, considered possible locations and institutional arrangements, reviewed the proposed PPP options and advanced the project for Government consideration.

These actions provided the investor with a clearer pathway for progressing the proposed investment and helped Government identify and address the technical, regulatory, institutional and commercial issues that needed to be resolved.

The supporting documents therefore provide a clear evidence trail showing the progression of the investment from proposal and announcement, through active Government facilitation and assessment, to project development and Government consideration.

SUMMARY OF SUPPORTING EVIDENCE

S/N	FACILITATION UNDERTAKEN	SUPPORTING EVIDENCE
1	Receipt and engagement on investment proposal	GILL letter dated 29 April 2025 and subsequent correspondence
2	Request and review of feasibility and financial information	GILL Feasibility & Financial Study/KIPA correspondence
3	Establishment of coordinated Government–investor platform	JSIC constitution and Terms of Reference
4	Technical and company due diligence	Technical Sub-Committee Report
5	Assessment of Agriculture and Lands requirements	Needs Assessment Report
6	Facilitation of regulatory and security engagements	NCAA, NAMA, ONSA and CAC engagement records
7	Assessment of host institution and deployment locations	KSITM and deployment assessment
8	Review of PPP structure and phased implementation	Feasibility Study and KIPA/JSIC recommendations
9	Advancement of investment for Government consideration	KIPA report/memorandum and related approval documents

Prepared by:
Katsina State Investment Promotion Agency (KIPA)
Katsina State Government

GLOBAL INNOVATION LEARNING LAB

April 29, 2025

His Excellency,
Mallam Dikko Umaru Radda Executive
Governor of Katsina State Government
House, Katsina

Your Excellency,

REQUEST FOR COURTESY VISIT TO DISCUSS STRATEGIC PARTNERSHIP ON DRONE MANUFACTURING IN KATSINA STATE

With the highest regards and on behalf of **Global Innovation Learning Lab (GILL) Ltd** and our esteemed technical partner, **Hunan UAV Intelligent Technology Co. Ltd**, China, we write to respectfully request a courtesy visit to Your Excellency.

The purpose of this high-level visit is to formally express our strong interest in collaborating with the Government of Katsina State through a **Public-Private Partnership (PPP)** to establish a world-class **drone manufacturing and innovation plant** in Katsina—a visionary project with the potential to position the state as a national and continental leader in drone technology.

GILL Ltd is a forward-thinking Nigerian enterprise dedicated to solving real-world problems through innovation, technology, and education. We specialize in the design and implementation of scalable innovative development programs and projects.

Hunan UAV Intelligent Technology Co. Ltd, our technical partner, is one of the world's leading manufacturers of unmanned aerial vehicles. Headquartered in Hunan, China, the company has built an international reputation for excellence in drone engineering, precision manufacturing, and intelligent flight systems. Hunan UAV brings to this partnership deep technical expertise, a proven global supply chain, and a commitment to technology transfer and local capacity development.

Your Excellency's transformative leadership and strong commitment to economic diversification, technological advancement, and youth empowerment have created the ideal environment for this strategic collaboration.

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USA

We believe Katsina State is uniquely positioned to host this landmark industrial initiative.
The visiting delegation will include:

- **Mr. Agwu Amogu**, President/CEO, Global Innovation Learning Lab (GILL) Ltd
- **Dr. Mustapha Shitu**, Director Business Development
- **Prof. Idris Bugaje**, Director Research and Development
- **Dr. Zhuyu Zhao**, Project Director & International Partner, Hunan UAV Intelligent Technology Co. Ltd

During the visit, we would be honored to present the project concept, outline its economic and social impact projections, and explore the enabling role of the Katsina State Government.
We are confident that the establishment of a drone manufacturing plant in Katsina will not only open new revenue streams but also create thousands of jobs, accelerate the digital transformation of key sectors such as agriculture, security, and infrastructure development.
We respectfully seek Your Excellency's kind consideration to receive our delegation at your earliest convenience.
Please accept the assurances of our highest regard and our steadfast commitment.

Yours faithfully,



President/CEO, GILL Ltd
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Zhuyu Zhao

Project Director
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KATSINA STATE DRONE TECHNOLOGY & SERVICES HUB

Feasibility & Financial Study (BOOT & Equity Models)

Prepared for

Katsina State Government

Submitted by

Global Innovation Learning Lab (GILL) Ltd.

September 2025

GLOBAL INNOVATION LEARNING LAB

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GLOBAL INNOVATION LEARNING LAB

1. Executive Summary

Global Innovation Learning Lab (GILL) proposes the establishment of a Drone Technology & Services Hub in Katsina State under a Public–Private Partnership (PPP). Two models are proposed and analyzed: a

1. A 15-year **BOOT concession**
2. *State–Private Equity partnership*

The hub will deliver:

- **Drone manufacturing** (200 units per year capacity).
- **Drone-as-a-Service (DaaS):** agriculture spraying, analytics, oil & gas pipeline inspection, powerline monitoring, security ISR, aerial mapping, and more.

Key highlights:

- Plant CAPEX: **₦1.55 billion** (US$1m @ ₦1,550/US$).
- Average drone cost: **₦25 million**.
- State provides land, regulatory support, and institutional backing.
- Initial fleet: **₦600m** (funded differently depending on model).
- Drones sales begin Year 2.

This project places Katsina at the forefront of drone technology in Nigeria, diversifies revenue, and drives economic transformation.

1.1 Headline Results (5-Year View)

- **Revenue Growth:** ₦630m (Year 1) → ₦1.14bn (Year 5).
- *BOOT Model:*
  - State earns 3% royalty on total revenues.
  - Cumulative State receipts: ₦126m.
  - GILL ROI ≈ 42%, payback Year 3–4.
- *Equity Model:*
  - State earns 30% of net profit.
  - Cumulative State receipts: ₦900m.
  - State ROI ≈ 55% on ₦600m fleet investment.
  - GILL ROI ≈ 68%, payback Year 3.

2. Project Background & Strategic Rationale

Katsina State is largely agrarian, with more than 2 million hectares cultivated each year. However, productivity remains limited by outdated farming methods, low levels of mechanization, and significant post-harvest losses.

Drones present a transformative solution—enabling precision spraying, NDVI imaging, soil mapping, and early disease detection—each contributing to higher yields and reduced costs.

Their impact extends beyond agriculture, supporting infrastructure monitoring (pipelines, power lines, highways), strengthening security, and enhancing urban planning. Establishing this hub will position Katsina as a pioneer of the drone economy in Nigeria.

3. Partnership Framework & Commercial Structures

3.1 BOOT Concession (15 Years)

- State provides land, permits, and institutional support.
- GILL finances, builds, owns, and operates for 15 years.
- After 15 years, assets are transferred to the State.
- State receives **3% royalty** on total revenue (sales + DaaS).

3.2 Equity Partnership (30% State & 70% GILL)

- State contributes ₦600m fleet + 2,000 m3 land as **30% equity**.
- GILL invests ₦1.55bn plant CAPEX + operations.
- Profit sharing: **State 30%**, **GILL 70%** (after OPEX).

4. Technical & Operational Plan

4.1 Phasing & Capacity

- **Phase 1 (Months 0–6):** Launch DaaS services.
- **Phase 2 (Month 6+):** Commence manufacturing (200 drones/year).

4.2 Human Capital & Training

- Train 100+ local drone pilots, data scientists, and engineers.
- Establish an NCAA-aligned Drone Academy.

4.3 Tooling, QA/QC & MRO

- Assembly jigs, avionics calibration, and battery labs.
- Maintenance, Repair & Overhaul (MRO) unit.

5. Market Assessment

- **Agriculture:** 20,000 hectares targeted Year 1 (₦400m).
- **Oil & Gas:** Initial contracts ₦150m Year 1.
- **Security ISR:** ₦50m Year 1.
- **Mapping/Other services:** ₦30m Year 1.
- Market expands 15–20% annually.

6. Policy, Regulatory & ESG Considerations

- Compliance with **NCAA drone regulations**.
- Data privacy protocols.
- ESG practices: safe chemical handling, e-waste recycling.

7. Implementation Roadmap

- Months 0–2: PPP MoU, site allocation.
- Months 3–6: Facility setup, fleet deployment, approvals.
- Months 6–12: Drone assembly line launch.
- Years 2–5: Expansion of manufacturing & DaaS.

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8. Financial Model (₦)

8.1 Assumptions

- Exchange rate: ₦1,550/US$.
- Drone unit price: ₦25m.
- Fleet CAPEX: ₦600m.
- Plant CAPEX: ₦1.55bn.
- OPEX: 40% of revenue.

8.2 5-Year Revenue Projection

Year	DaaS Revenue	Drone Sales	Total Revenue	OPEX (40%)	Net Profit	Units Sold
1	₦630m	₦0	₦630m	₦252m	₦378m	0
2	₦760.5m	₦1bn	₦1.76bn	₦704m	₦1.056bn	40
3	₦894.9m	₦1.5bn	₦2.39bn	₦956m	₦1.434bn	60
4	₦1.035bn	₦2bn	₦3.04bn	₦1.216bn	₦1.824bn	80
5	₦1.176bn	₦2.5bn	₦3.68bn	₦1.472bn	₦2.208bn	100

8.3 BOOT Model (3% Royalty to State)

- State cumulative receipts (5 years): **₦126m**.
- GILL ROI: **42%**.
- Payback: **Year 3–4**.

8.4 Equity Model (30% to State)

- State cumulative receipts (5 years): **₦900m**.
- ROI: **55%**.
- Payback: **Year 3**.
- GILL ROI: **68%**.

9. Sensitivity Analysis

- **Downside:** 20% drop in sales delays payback by 1 year.
- **Upside:** 20% increase in farmland adoption boosts revenues by ₦200m/year.

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10. Risk Register

- **Regulatory delays:** Engage NCAA early.
- **Security risks:** Secure perimeter + State support.
- **FX risk:** Localize component sourcing.
- **Technology risk:** OEM partnerships.

11. Governance & Reporting

- Joint Steering Committee.
- Quarterly audited financials.
- Transparent revenue-sharing model.

12. Socio-economic Impact

- 200+ direct jobs, 2,000+ indirect.
- Boosts food security.
- Youth STEM training pathways.

13. Conclusion

Both BOOT and Equity models are **feasible and bankable**.

- **BOOT:** Minimal State fiscal risk, guaranteed royalties, asset transfer.
- **Equity:** Higher revenue potential for State, shared risks, deeper involvement.

Recommendation: Begin PPP negotiations with GILL to formalize terms.

Appendix A – Detailed Assumptions

Macroeconomic Assumptions

- **Exchange Rate:** ₦1,550/US$ (CBN import/export average, 2025).
- **Inflation:** 21% annual average.
- **Discount Rate (WACC):** 18%.
- **Corporate Tax Rate:** 30%.

Capital Expenditure (CAPEX)

- Plant construction & assembly line: **US$1 million ≈ ₦1.55 billion**.
- Initial fleet purchase: **₦600 million** (24 drones @ ₦25m each).
- Land contribution: **2,000 mt**, provided in-kind by State.

Operational Expenditure (OPEX) Drivers

- **Staffing & Training:** ₦150m annually (engineers, pilots, data analysts, technicians).
- **Maintenance & Spares:** 10% of fleet/drone sales annually.
- **Energy & Utilities:** ₦50m annually, rising with production scale.
- **Insurance & Compliance:** ₦20m annually.
- **Marketing & Business Development:** ₦30m annually.
- **General Admin/Overheads:** 5% of revenues.

OPEX Assumption: 40% of gross revenues across the financial model.

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Revenue Assumptions

- *Agriculture (DaaS):*
  Year 1: 20,000 hectares @ ₦10,000/ha = ₦400m. Growth: 15% YoY adoption.
- **Oil & Gas Services:** ₦150m in Year 1; grows to ₦400m by Year 5.
- **Security ISR:** ₦50m in Year 1; grows to ₦120m by Year 5.
- **Mapping/Other Services:** ₦30m in Year 1; grows to ₦90m by Year 5.
- *Drone Sales:*
  Average price: ₦25m per unit. Year 2: 40 units → ₦1bn.
  Year 3: 60 units → ₦1.5bn.
  Year 4: 80 units → ₦2bn.
  Year 5: 100 units → ₦2.5bn.

Drone Unit Economics

- **Average Selling Price (ASP):** ₦25m/unit.
- **Production Cost:** ₦15m/unit (materials, assembly, QA).
- **Gross Margin per unit:** ₦10m (40%).
- **Capacity:** 200 units/year (initial).
- **Utilization Ramp-up:** 20% in Year 2 → 50% in Year 5.

Appendix B – Draft Term Sheet

Project Structure

- *BOOT Model:*
  – GILL finances, builds, owns, operates, and transfers the hub after 15 years.
  – State provides land, licenses, and institutional support.
  – State receives **3% royalty** on gross revenues (sales + DaaS).
- *Equity Model:*
  – State contributes ₦600m fleet + land = 30% equity stake.
  – GILL invests ₦1.55bn CAPEX + OPEX.
  – Profit sharing: **State 30%**, **GILL 70%** (post-expenditure).

Revenue Waterfall (BOOT Model)

1. Gross Revenue (DaaS + drone sales).
2. Deduct OPEX (40% of revenues).
3. Deduct Tax & Compliance.
4. Pay **3% royalty** of gross revenue to Katsina State.
5. Balance = GILL net operating surplus.

Revenue Waterfall (Equity Model)

1. Gross Revenue (DaaS + drone sales).
2. Deduct OPEX (40% of revenues).
3. Deduct Tax & Compliance.
4. Net Profit split: **State 30%**, **GILL 70%**.

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Governance

- Joint **Steering Committee** with equal representation.
- Quarterly financial audits (independent, Big-4 recommended).
- Annual performance review with option to revise operational targets.

Dispute Resolution

- Step 1: Mediation by Steering Committee.
- Step 2: Arbitration under Nigerian Arbitration and Conciliation Act (Lagos, Nigeria).
- Step 3: Failing arbitration, recourse to Federal High Court.

Handback Conditions (BOOT only)

- Full transfer of all facilities, equipment, and intellectual property (excluding proprietary software/IP of OEM partners).
- Assets to be transferred in **good working order** with remaining economic life ≥ 5 years.
- State to assume operations at **zero additional cost** at end of concession.

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JOINT STEERING AND IMPLEMENTATION COMMITTEE FOR THE KATSINA DRONE CENTER PROJECT

1. Background

In light of the strategic value of the Katsina Drone Center PPP project and the need for coordinated oversight, the Katsina State Government is constituting a Joint Steering and Implementation Committee (JSIC) in collaboration with GILL Ltd and Hunan UAV Intelligent Technology Ltd to ensure successful project implementation.

2. Purpose of the Committee

To guide, oversee, and coordinate the implementation of the Katsina Drone Center project from inception to full operationalization, ensuring compliance with technical, financial, and legal expectations of all partners.

3. TERMS OF REFERENCE

i. Review and approve feasibility study, technical specifications, and business model
ii. Oversee signing of MoU and transition to formal PPP contract (BOOT BOT and or JV)
iii. Guide land acquisition and legal compliance processes
iv. Monitor infrastructure development, procurement, and training rollout
v. Track financial disbursements and ensure accountability
vi. Facilitate engagements with NCAA and other regulatory agencies
vii. Ensure that local content, training, and employment targets are met
viii. Monitor key milestones and KPIs
ix. Submit quarterly progress reports to the Governor

4. MEMBERSHIP COMPOSITION

i.	Abdullahi Aliyu	PPS	Chairman
ii.	Ibrahim Tukur	DG KIPA	Member
iii.	Khalil Nur Khalil	E A	Member
iv.	Naufal Ahmad	DG KATDICT	Member
v.	Dr. Mustapha Shehu	ES KDMB	Member
vi.	PS Agriculture	PS Agriculture	Member
vii.	PS Lands and Physical Plan.	PS	Member
viii.	Secretary	KIPA to provide	Secretary
ix.	One representative from GILL Ltd		Member
x.	One representative from Hunan UAV		Member
xi.	Representative of MOJ)		Member
xii.	One transaction Adviser		Member

Project Timeline

Phase	Activities	Timeline	Responsible Party
Phase 1	Feasibility Study, Financial Modeling, MoU Signing	Month 1–2	GILL & Hunan UAV (Submit), JSIC (Review & Recommend)
Phase 2	Legal PPP Agreement (BOOT/JV), Land Allocation	Month 3	Katsina State Government
Phase 3	Design & Infrastructure Setup (3 Drone Operational Centers)	Month 4–8	GILL & Hunan UAV
Phase 4	Equipment Procurement, Initial Drone Delivery	Month 6–8	Hunan UAV
Phase 5	Pilot Training of 90 Drone Operators	Month 9–10	GILL (Training), State Support
Phase 6	Drone Manufacturing Hub Setup	Month 11–18	Hunan UAV (Lead), GILL Support
Phase 7	Full Operations, Monitoring, & Evaluation	Month 19 onward	JSIC Oversight

Clear Deliverables

GILL Ltd (Nigeria)

i. Develop and submit feasibility study and business model
ii. Lead local training programs (minimum 300 youths/year)
iii. Facilitate knowledge transfer and local content development
iv. Support local procurement and infrastructure management
v. Participate in project implementation and monitoring

Hunan UAV (China)

i. Provide drone equipment and technical support
ii. Establish manufacturing and assembly facilities
iii. Deploy international experts and engineers for training and setup
iv. Ensure technology transfer and product standardization

Katsina State Government

i. Allocate land and facilitate necessary approvals
ii. Provide policy support and regulatory liaison (NCAA, etc.)
iii. Ensure local stakeholder engagement and security
iv. Monitor compliance and support with PPP contracting
v. Provide budgetary support for counterpart commitments

REPORT OF THE SUB-COMMITTEE ON THE PROPOSAL BY GILL NIGERIA LIMITED FOR THE ESTABLISHMENT OF KATSINA STATE DRONE CENTRE

1.0 Introduction

The Katsina State Government received a proposal from GILL Nigeria Limited, in partnership with Hunan UAV Intelligent Technology Ltd of China, for the establishment of a Drone Technology and Innovation Centre under a Public-Private Partnership (PPP) arrangement.

Following this development, a Joint Steering and Implementation Committee (JSIC) was constituted to review the proposal in detail. The Committee was tasked with assessing its feasibility, ensuring compliance with all relevant regulatory requirements, and advising Government on the most appropriate course of action.

2.0 Composition of the Sub-Committee

The Sub-Committee was made up of the following members:

i. Abdullahi Aliyu – PPS – Chairman
ii. Ibrahim Tukur – DG, KIPA – Member
iii. Khalil Nur Khalil – EA – Member
iv. Naufal Ahmad – DG, KATDICT – Member
v. Dr. Mustapha Shehu – ES, KDMB – Member
vi. Abdullahi Tsiga – PS, Ministry of Agriculture – Member
vii. Aminu Ibrahim – PS, Lands and Physical Planning – Member
viii. Rilwanu Haruna – Secretary
ix. Agwu Amogu – Representative of GILL Ltd and Hunan
x. Abdurrahman Lawal Buhari – Representative, Ministry of Justice

3.0 Terms of Reference

The Committee's terms of reference were, among others:

i. To review the feasibility study, technical details, and business model
ii. To oversee the transition from the MoU to a formal PPP arrangement (BOOT, BOT, or JV)
iii. To guide land acquisition processes and ensure full legal compliance
iv. To monitor infrastructure development, procurement, and training activities
v. To track financial flows and ensure transparency and accountability
vi. To facilitate engagement with relevant regulatory bodies, including the NCAA

vii. To ensure that local content, training, and employment targets are achieved
viii. To monitor progress using clearly defined milestones and performance indicators

4.0 Proceedings and Findings

At its inaugural meeting, the Committee deliberated in detail on its terms of reference and used the opportunity to review the proposal as well as the feasibility studies submitted by the companies. The analysis of the two documents is detailed in Appendix I.

To aid the conduct of the assignment, the Committee constituted a Sub-Committee with the following responsibilities:

i. To establish the need for the drone and its likely attendant socio-economic benefits
ii. To review the proposal received from the company
iii. To conduct due diligence on the two companies
iv. To determine the regulatory procedures and guidelines for the operation of drones in Nigeria
v. To determine the locations for the deployment of drones within the State
vi. To determine the suitability or otherwise of KTSITM in hosting the Drone Centre
vii. To come up with appropriate drone pricing

4.1 Needs Assessment of User Ministries

The Committee assessed the needs of key Ministries, particularly Agriculture and Lands.

Drones are required to support:

i. Crop monitoring, spraying, and precision farming
ii. Land mapping, surveying, and geospatial data collection
iii. Improved service delivery and operational efficiency

To ensure effective deployment, the following are necessary:

i. Establishment of a central Drone Centre for coordination and maintenance
ii. Training and capacity building
iii. Integration into existing Ministry workflows

Additional Technical Assessment (Land Administration)

The Committee observed that one of the major challenges in Nigeria is poor geospatial data, which continues to affect effective land governance. Currently, less than 3% of land is properly titled.

Drone technology offers a practical solution through:

i. High-resolution mapping
ii. Faster and more efficient surveying
iii. Accurate boundary verification
iv. 3D modelling capabilities

Current situation in Katsina:

i. Office of the Surveyor General has 1 drone
ii. KATGIS relies on privately owned drones

Estimated drone requirements:

i. Surveyor General: 3 drones
ii. KATGIS: 4 drones
iii. Ministry of Lands: 3 drones
iv. Urban Planning Board: 3 drones

Training Requirements

There is a strong need for structured training in:

i. Drone operations
ii. Image processing and analysis
iii. Technical maintenance

The Committee also noted the need for a study visit to FUDMA.

Agriculture Deployment Zones

Zone I – Ajiwa: Tambu (Daura), Mechanization (Mani)

Zone II – Funtua: Malumfashi, Funtua HQ

Zone III – Dutsinma: Dutsinma, Kafin-Soli

4.2 Market Feasibility (National and International)

The Committee reviewed available data on the drone industry both within Nigeria and globally.

International benchmarks show that:

a. Agricultural drones (DJI Agras, 10–50L) range between $12,000 and $25,000
b. Remote sensing drones (DJI Phantom 4 RTK) range between $4,000 and $6,000

However, the Committee observed that the proposal did not sufficiently provide a detailed financial model. Key elements such as projected revenues, operational costs, and long-term sustainability need to be further developed.

4.2.1 Procurement Price Summary (Submitted Invoices)

Four major drone systems were identified with the following costs:

i. Griflion M10p Fixed Wing Package: $70,813.57
ii. JADGER X8 Thermal Drone: $24,570.71

iii. X4-30 Agricultural Drone (30L): $31,749.29
iv. Skylle II Hexacopter Package: $52,428.58

General conditions include:

i. Insurance is not included (an additional 0.4% of cargo value applies)
ii. Minimum order quantity is 20 units
iii. Air freight to Abuja is included

The buyer is responsible for customs clearance and regulatory approvals.

4.3 Findings on Hunan UAV and Proposal Review

The Committee found that Hunan UAV Intelligent Technology Ltd is a strong and reputable company, widely recognized in China and within the global technology ecosystem for its innovation.

4.4 Regulatory Requirements in Nigeria

The following regulatory bodies were identified and visited at their corporate headquarters:

i. Nigerian Civil Aviation Authority (NCAA)
ii. Nigerian Airspace Management Agency (NAMA)
iii. Office of the National Security Adviser (ONSA)
iv. Corporate Affairs Commission (CAC)

Purpose of the visit:

i. To notify relevant authorities
ii. To understand national security implications
iii. To clarify regulatory requirements
iv. To engage on corporate registration and governance

Key outcomes of the visitations:

i. All institutions acknowledged the project
ii. NCAA confirmed that drone operations are registrable
iii. ONSA and CAC will provide formal responses
iv. Strong emphasis was placed on full compliance

Follow-up (Zoom meeting with NCAA):

To provide further understanding of the regulatory requirements, a Zoom meeting was organised by NCAA for the Committee. The briefing during the meeting centred on the following:

i. Drone categories were defined as Open, Specific, and Certified
ii. Certification involves five stages: application → documentation → review → inspection → approval
iii. All associated costs will be borne by the applicant
iv. Additional agencies (Police, DSS, Customs, Immigration) will support oversight

4.5 Visit to Katsina State Institute of Technology and Management Studies

The Committee visited KTSITM to assess its suitability as a host for the proposed Drone Centre. The Director-General explained the State's plan to acquire drones and establish a Drone Academy for training, operations, and sustainability.

The Rector stated that the Institute does not currently offer a drone-related course but can conduct in-house training and would require NBTE approval to run a diploma programme. He also confirmed that the Institute has the capacity, facilities, and manpower to manage the Drone Centre.

The Committee inspected relevant laboratories and found them functional and suitable. Overall, the findings confirmed that while no dedicated drone course exists, the Institute has related programmes, adequate facilities, and qualified personnel to support the establishment and operation of the Drone Centre.

5.0 RECOMMENDATIONS

1. Approve the Project in Principle
    i. Recognize the project as strategic for agriculture, land administration, and digital governance
2. **Direct Submission of a Detailed Financial Model**
    i. Require full clarification of:
        a. Revenue streams
        b. Operational costs
        c. Sustainability plan
3. **Adopt a Phased Implementation Approach**
    i. Begin with limited procurement for priority MDAs
    ii. Scale based on performance and need
4. **Establish a Central Drone Centre**
    i. Create a single coordinating facility for:
        a. Operations
        b. Maintenance
        c. Deployment across Ministries
5. **Approve KTSITM as Host Institution**
    i. Use KTSITM for:
        a. Drone operations
        b. Training and capacity development
    ii. Pursue NBTE accreditation for formal programmes

6. **Ensure Full Regulatory Compliance**
    i. Mandate all approvals before deployment
    ii. Provide for certification and compliance costs
7. **Prioritize Capacity Building**
    i. Train operators and technicians before full rollout
    ii. Reduce reliance on external expertise
8. **Direct Immediate Use in Priority Sectors**
    i. Deploy drones for:
        a. Land mapping and surveying
        b. Agricultural productivity in identified zones
9. **Approve Transition to Formal PPP Agreement**
    i. Subject to:
        a. Clear roles and responsibilities
        b. Defined risk-sharing structure
        c. Legal and financial clarity

MEMORANDUM TO THE KATSINA STATE EXECUTIVE COUNCIL ON THE ESTABLISHMENT OF KATSINA STATE DRONE TECHNOLOGY AND INNOVATION CENTRE UNDER BUILT OPERATE AND TRANSFER (BOT) PUBLIC-PRIVATE PARTNERSHIP.

1.0 BACKGROUND

The Katsina State Government received a proposal from GILL Nigeria Limited, in partnership with Hunan UAV Intelligent Technology Ltd, China, for the establishment of a Drone Technology and Innovation Centre under a PPP arrangement.

Following receipt of the proposal, Government constituted a Joint Steering and Implementation Committee (JSIC) to review the proposal, assess its feasibility and advise Government on the appropriate course of action.

The Committee subsequently constituted a Sub-Committee to undertake a more detailed assessment of the proposal. Its assignment included determining the need for drone technology within the State, reviewing the proposal and feasibility studies submitted by the proponents, conducting due diligence on the companies, examining the regulatory requirements for drone operations in Nigeria, identifying appropriate areas for deployment, assessing the suitability of Katsina State Institute of Technology and Management Studies (KSITM) as the host institution, and reviewing the proposed drone pricing.

Upon completion of the committee's assignment His Excellency referred the report to KTDMB after which His Excellency requested memo be presented to the council.

3.0 RATIONALE FOR THE PROPOSED DRONE CENTRE

The assessment established practical applications for drone technology across a number of Government activities, particularly in agriculture and land administration.

In agriculture, drones can support crop monitoring, spraying and precision farming, thereby improving the efficiency and effectiveness of agricultural operations. The Ministry of Agriculture has identified need for drone for;

Drones are required to support:

iv. Crop monitoring, spraying, and precision farming
v. Land mapping, surveying, and geospatial data collection
vi. Improved service delivery and operational efficiency

To ensure effective deployment, the following are necessary:

iv. Establishment of a central Drone Centre for coordination and maintenance
v. Training and capacity building
vi. Integration into existing Ministry workflows

Agriculture Deployment Zones

Zone I – Ajiwa: Tambu (Daura), Mechanization (Mani)

Zone II – Funtua: Malumfashi, Funtua HQ

Zone III – Dutsinma: Dutsinma, Kafin-Soli

In land administration, the technology can support mapping, surveying, boundary verification, geospatial data collection and three-dimensional modelling. The assessment noted that poor geospatial data remains a significant challenge to effective land governance and that the deployment of drone technology could offers a practical solution through;

v. High-resolution mapping
vi. Faster and more efficient surveying
vii. Accurate boundary verification
viii. 3D modelling capabilities

Current situation in Katsina:

iii. Office of the Surveyor General has 1 drone
iv. KATGIS relies on privately owned drones

Estimated drone requirements:

v. Surveyor General: 3 drones
vi. KATGIS: 4 drones
vii. Ministry of Lands: 3 drones
viii. Urban Planning Board: 3 drones

The identified needs of the relevant Ministries and agencies indicate that the proposed Centre would provide a coordinated platform for the acquisition, operation, maintenance and deployment of drones across Government.

4.0 ASSESSMENT UNDERTAKEN

The Committee undertook assessments in the following key areas:

i. The need for drone technology and its potential socio-economic benefits;
ii. Review of the proposal and feasibility studies submitted by the proponents;
iii. Due diligence on GILL Nigeria Limited and Hunan UAV Intelligent Technology Ltd;
iv. Review of the regulatory requirements governing drone operations in Nigeria;
v. Identification of potential deployment locations within the State;
vi. Assessment of KSITM as a potential host institution; and
vii. Review of drone pricing and procurement considerations.

The Committee also engaged relevant Federal regulatory institutions, including the Nigerian Civil Aviation Authority (NCAA), Nigerian Airspace Management Agency (NAMA), Office of the National Security Adviser (ONSA) and Corporate Affairs Commission (CAC).

The engagement confirmed the need for appropriate regulatory approvals and certification before commencement of operations. NCAA also provided further clarification on the applicable categories of drone operations and the certification process.

5.0 INSTITUTIONAL ARRANGEMENT

The Committee assessed KSITM for its suitability to host the proposed Drone Centre.

The assessment found that although the Institute does not currently offer a dedicated drone technology course, it has related programmes, functional facilities and qualified personnel that can support the establishment and operation of the Centre.

The Institute is therefore considered suitable to host the Centre, while further work can be undertaken towards the development of formal drone-related training programmes and the required NBTE accreditation.

6.0 FINANCIAL AND PPP CONSIDERATIONS

The proposal includes various categories of drones for agricultural, mapping and related applications. The Committee reviewed available market information and submitted invoices and noted significant variations in the prices of different drone systems.

However, the Committee also observed that the financial model submitted with the proposal requires further development, particularly with respect to projected revenue streams, operational costs and the long-term sustainability of the project.

Accordingly, it is considered necessary for a detailed and comprehensive financial model to be submitted and reviewed before the State enters into any binding financial commitment.

The proposed PPP arrangement may take the form of a Joint Venture, BOOT, BOT or another appropriate PPP structure, subject to further technical, legal and financial assessment and agreement on the respective roles, responsibilities and risk-sharing arrangements between the parties.

7.0 PROPOSED APPROACH TO IMPLEMENTATION

In view of the findings of the Committee, a phased approach is considered appropriate.

The initial phase should focus on priority applications in agriculture and land administration, with deployment based on clearly identified needs. Further deployment can thereafter be guided by performance, demonstrated demand and the capacity of the Centre.

The proposed arrangement should also place appropriate emphasis on training and skills transfer to ensure that the State develops sufficient local capacity to operate and maintain the technology and progressively reduce dependence on external expertise.

8.0 KEY FINDINGS

The Committee's assessment established that:

i. There is a clear and practical need for drone technology within the State, particularly in Katsina State Institute of Technology and Management agriculture and land administration;

ii. The proposed Drone Centre would provide a central platform for coordinating drone operations, maintenance, training and deployment;

iii. KSITM has the facilities, related programmes and personnel required to support the establishment of the Centre;
iv. Relevant regulatory requirements have been identified and engagements have been undertaken with the appropriate Federal institutions;
v. Capacity building and skills transfer should form an integral part of the project; and

9.0 RECOMMENDATIONS

In view of the foregoing, the committee recommend as follows;

i. The establishment of the Katsina State Drone Technology and Innovation Centre as a strategic initiative to support agriculture, land administration and technological development in the State;
ii. **The Drone centre to be hosted by the KSITM**, subject to the necessary institutional and regulatory arrangements;
iii. **Phased implementation approach**, beginning with priority applications and scaling up based on demonstrated need and performance;
iv. **Direct that all necessary regulatory approvals and certifications** be obtained before the commencement of drone operations;
v. Approve the sponsorship of four State Government officials to China for negotiation and facility inspection of Hunan UAV Intelligent Technology Ltd to be sponsored by the parties.

10.0 PRAYER

Council is hereby invited to note the content of this paper and approve (I – IV) or as the council may direct as appropriate.