



EDO STATE PUBLIC-PRIVATE PARTNERSHIP AGENCY (EDPPPA)

**PUBLIC-PRIVATE PARTNERSHIP (PPP)
EDO STATE PROJECT FACILITATION FUND
GOVERNANCE, RULE & OPERATIONAL
MANUAL**

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Acknowledgement

The Edo State Project Facilitation Fund (PFF) Governance, Rules and Operations Manual has been developed to support the effective preparation, structuring, and delivery of high-quality Public Private Partnership (PPP) and infrastructure projects within Edo State.

The Edo State Government acknowledges the leadership role of the Edo State Public-Private Partnership Agency (EDPPPA) in conceptualising, coordinating, and institutionalising this Manual as a core operational instrument for the Project Facilitation Fund. The Manual reflects the State's commitment to strengthening project preparation, improving investment readiness, and ensuring that public resources are deployed in a transparent, accountable, and fiscally responsible manner.

The Government also acknowledges the contributions of relevant Ministries, Departments, and Agencies (MDAs), the Ministry of Finance, legal and technical advisers, development partners, and private sector stakeholders whose inputs and experience informed the design of the Fund's governance and operational framework. Their collective engagement has helped ensure that the Manual is practical, aligned with applicable laws, and responsive to the realities of project development and PPP implementation.

This Manual stands as a living document and an institutional reference point. It embodies the State's resolve to promote consistency, professionalism, and integrity in project preparation, while fostering confidence among investors, development partners, and citizens in the State's PPP programme and infrastructure delivery agenda.

Acronyms

For the purposes of this Manual, the following acronyms shall have the meanings assigned to them below:

ADR	Alternative Dispute Resolution
EDPPPA	Edo State Public-Private Partnership Agency
ESIA	Environmental and Social Impact Assessment
FCCL	Fiscal Commitments and Contingent Liabilities
FBC	Final Business Case
MDA	Ministry, Department or Agency
MTEF	Medium Term Expenditure Framework
OAF	Officer Administering the Fund
OBC	Outline Business Case
PFF	Project Facilitation Fund
PPP	Public-Private Partnership
RAP	Resettlement Action Plan
SPV	Special Purpose Vehicle
TOR	Terms of Reference
VfM	Value for Money

Definition of Key PPP Terminologies

For the purposes of this Manual, unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

Bankable Project	A project that has been sufficiently prepared, appraised, and structured such that it is technically feasible, legally compliant, financially viable, environmentally and socially sound, and capable of attracting private sector financing on acceptable terms.
Business Case	A structured justification for a proposed project, demonstrating its strategic relevance, affordability, value for money, and fiscal sustainability. It may take the form of an Outline Business Case (OBC) or a Final Business Case (FBC), depending on the stage of project development.
Cost Recovery	A mechanism through which the Project Facilitation Fund recovers part or all of its project preparation expenditures from successful projects, typically at financial close or through agreed success fees or reimbursements.
Funding Agreement	A legally binding agreement between the State PPP Agency, acting on behalf of the Project Facilitation Fund, and a beneficiary entity, setting out the scope of support, deliverables, milestones, disbursement conditions, reporting obligations, and applicable remedies.
Project Facilitation Fund (PFF)	A dedicated State-managed fund established to finance early and mid-stage project preparation activities, including feasibility studies, transaction advisory services, environmental and social assessments, and related capacity building, with the objective of advancing projects to bankability and procurement readiness.
Project Preparation	The set of technical, financial, legal, environmental, social, and institutional activities required to develop a project from concept to a stage at which it can be competitively procured or financed.
Public-Private Partnership (PPP)	A long-term contractual arrangement between a public authority and a private sector entity for the provision of infrastructure or public services, under which risks, responsibilities, and rewards are allocated between the parties in accordance with agreed terms.
Sponsoring Entity	A Ministry, Department, Agency, State-owned enterprise, or other approved public entity that originates, owns, or is responsible for a project and applies for support from the Project Facilitation Fund.
Transaction Advisory Services	Specialised professional services, including legal, financial, technical, and commercial advisory support, provided to structure, procure, and close PPP or infrastructure transactions.
Value for Money (VfM)	An assessment of whether a project delivers optimal outcomes by balancing whole-life costs, risks, quality, and benefits to the public, compared with alternative delivery options.

1: Introduction

1.0. Legal Basis and Institutional Authority

This Governance Rules and Operational Manual is issued pursuant to the Edo State Public-Private Partnership and Agency Law, which establishes the Edo State Public-Private Partnership Agency as the statutory body responsible for the development, regulation, coordination, and oversight of public private partnership projects within Edo State.

Section 26 of the Edo State Public Private Partnership Agency Law establishes the Project Development Fund as a statutory mechanism to support the preparation and development of public private partnership projects in the State. The Project Facilitation Fund is constituted as a component and operational application of the Project Development Fund and is intended to provide targeted financial and technical support for early stage project preparation activities, including project identification, feasibility studies, transaction structuring, and related advisory services. The establishment of the Project Facilitation Fund is therefore firmly grounded in the authority conferred by section 26 of the Law.

In addition, section 18 of the Edo State Public-Private Partnership Agency Law empowers the Agency to issue guidelines, rules, manuals, and other administrative instruments necessary for the effective administration and management of funds established under the Law, as well as for the proper discharge of the Agency's statutory functions. This provision provides the legal basis for the issuance of this Governance Rules and Operational Manual and for the detailed operational arrangements governing the management, utilization, and oversight of the Project Facilitation Fund.

Accordingly, this Governance Rules and Operational Manual is issued by the Edo State Public-Private Partnership Agency in the lawful exercise of its powers under sections 18 and 26 of the Edo State Public Private Partnership Agency Law. The Manual sets out the governance framework, operational procedures, institutional roles, and accountability mechanisms for the administration of the Project Facilitation Fund and shall be applied and interpreted in a manner consistent with the provisions, objectives, and spirit of the enabling Law.

1.1 Purpose and Scope of the Manual

This Manual serves as a comprehensive guide for the governance, management, and operationalization of the State Project Facilitation Fund. Its purpose is to provide clear rules and procedures to ensure that the Fund functions efficiently, transparently, and in alignment with the State's development priorities.

The Manual is intended for use by all stakeholders involved in the administration of the Fund, including Ministries, Departments, and Agencies seeking support for project preparation, private sector project sponsors, development partners, and advisory firms engaged in project facilitation activities.

It covers the Fund's objectives, governance arrangements, operational procedures, financial management, procurement processes, monitoring and reporting requirements, and performance evaluation mechanisms. By following this Manual, all parties will have a shared understanding of how the Fund operates, the standards of accountability required, and the expectations for project preparation and facilitation.

1.2 Objectives of the Manual

The key objectives of this Manual are:

- (a) to provide a coherent governance framework for the Fund that promotes transparency, accountability, and efficiency;
- (b) to clearly define the roles and responsibilities of the Fund Management Committee, the Officer Administering the Fund, and the Fund Secretariat;
- (c) to guide the Fund's operations in line with the State's fiscal and public financial management laws, the Edo State Public-Private Partnership Law, and best international practices;
- (d) to ensure that resources are applied exclusively to preparing bankable projects that align with the State's development priorities;
- (e) to provide clarity on processes for application, appraisal, funding, disbursement, monitoring, and reporting;
- (f) to promote consistency, predictability, and quality in project preparation activities.

1.3 Usage of the Manual

The Manual shall be the authoritative reference document for all activities related to the Fund. It is intended to support decision-making, provide operational guidance, and ensure that all procedures are transparent, standardized, and accountable.

All users of the Fund, including government officials, consultants, project sponsors, and development partners, are required to comply with the provisions of this Manual. Any deviation must be formally approved by the Fund Management Committee or another competent authority designated by the State.

1.4 Structure of the Manual

The Manual is organized into ten main sections, providing a step-by-step guide to Fund operations:

1. Introduction
2. Fund Overview
3. Fund Governance Arrangements
4. Flow of Funds
5. Operations of the Fund
6. Procurement and Contract Management
7. Audit and Internal Control
8. Anti-Fraud, Anti-Corruption, and Safeguard Measures
9. Duration and Winding Up of the Fund
10. Fund Performance Management Framework

Each section is supported by practical guidance, operational procedures, and references to relevant laws and standards. Annexures include templates for project applications, funding agreements, project evaluation, and annual reporting to guide implementation.

2. Fund Overview

2.1 Objective of the Fund

The core objective of the Project Facilitation Fund is to support the structured, transparent, and sustainable development of well prepared, bankable, and investment ready infrastructure and Public Private Partnership projects. The Fund exists to bridge the critical gap between conceptual vision and market readiness, ensuring that public resources are used effectively to de risk projects. It provides the necessary financial and technical resources for the crucial early stages of project development, which include rigorous feasibility studies, comprehensive environmental and social due diligence, expert transaction advisory services, and strategic market engagement.

2.2 Functions of the Fund

The Fund shall perform the following key functions to catalyze infrastructure investment:

- (a) to provide non recoverable funding for early and mid stage project preparation, covering all essential technical, financial, economic, environmental, and social assessments. This ensures projects meet the highest standards of preparation before they are brought to market.
- (b) to finance the advisory and transaction structuring services required to professionally move projects from concept to a successful procurement process or financial close.
- (c) to support targeted market sounding, strategic investor engagement, and project promotion activities, thereby maximizing interest and competition among private sector partners.
- (d) to actively strengthen the capacity of Ministries, Departments, and Agencies (MDAs) by funding specialized training and support to enable them to originate, evaluate, prepare, and manage complex infrastructure and PPP projects effectively.
- (e) to provide limited and fiscally responsible support for viability gap assessments, contingent liability analysis, or financial de risking tools, where such interventions are required to make a high priority project commercially feasible.
- (f) to serve as a central, accessible repository of project preparation knowledge, standardized templates, essential data, and project outputs, fostering institutional learning and efficiency across the State.

2.3 Sources of Funds

2.3.1. To ensure its long term sustainability and operational independence, the Fund may receive financing from a diverse mix of reliable sources:

- (a) guaranteed annual State budgetary allocations, which are integrated and ring fenced within the State's Medium Term Expenditure Framework.
- (b) Grants, technical assistance, and specific contributions from development partners and donor organisations committed to infrastructure development.
- (c) revenue generated from the Fund's operations, including cost sharing contributions from private sponsors for commercially viable initiatives, and success based reimbursements or fees from projects that successfully reach financial close.
- (d) potential future matching funds or specific allocations from the Federal Government or relevant national PPP institutions.

2.3.2. All contributions shall be promptly deposited into the Fund's designated and secure bank accounts and fully recorded through the State's official financial management system to maintain transparent oversight.

2.4 Eligible Projects and Activities

Eligibility is a core component of the Fund's governance, ensuring resources are directed towards the State's strategic priorities.

2.4.1. Eligible Projects

Projects shall demonstrate clear alignment with the State's development blueprint and infrastructure masterplan. They must fall within key economic and social sectors, including transport, energy, water, healthcare, housing, agriculture, education, industrial development, and critical technology infrastructure.

2.4.2. Eligible activities

The PFF provides funding for the full spectrum of activities required for project maturity, which may include:

- (1) Concept development and initial screening.
- (2) Pre feasibility and full feasibility studies.
- (3) Detailed technical and engineering assessments.
- (4) Comprehensive Environmental and Social Impact Assessments (ESIA).
- (5) Resettlement planning and livelihood restoration frameworks.
- (6) Rigorous financial and economic analyses, including value for money assessments.
- (7) Specialized transaction advisory services, encompassing legal and financial structuring.
- (8) Strategic market sounding, investor outreach, and roadshow preparation.
- (9) Preparation of transparent and legally sound procurement documents.
- (10) Capacity building and institutional strengthening directly related to project implementation.

2.5 Eligible Entities for Funding

Access to the Fund is structured to support public entities and approved private initiatives: State Ministries, Departments, and Agencies;

- (1) Public Entities: State Ministries, Departments, and Agencies; State owned enterprises; and special purpose vehicles with clear State ownership or mandate.
- (2) Private Entities: Private sponsors may access the Fund only for solicited PPPs (where the State has initiated the project concept) and only under strict eligibility requirements that are defined in the Financing Policy.
- (3) Endorsed Activities: Project preparation activities endorsed and co-sponsored by development partners are also eligible for support.

2.6 Exclusions from Funding

The Fund's resources are specifically dedicated to project preparation and shall not be used to finance:

- (1) Capital Works: Construction, rehabilitation, or actual capital expenditure or capital works for the physical infrastructure itself except those relating to capital grants or Viability Gap Funding.
- (2) Routine Operations: General operational or recurrent expenses of MDAs, which should be covered by the regular State budget except it is related to the PFF Secretariat.
- (3) Non Essential Activities: Activities that do not demonstrably enhance or are not critical to project readiness or the likelihood of attracting private finance.
- (4) Duplicate Funding: Projects already fully funded, or capable of being fully funded, from other internal or external sources.
- (5) Non-Core Activities: Political, ceremonial, or non-infrastructure related activities.

3. Fund Governance Arrangements

3.1. Hosting of the Project Facilitation Fund

The Project Facilitation Fund shall be hosted by the Edo State Public-Private Partnership Agency. The Agency shall act as the Host Institution for the Fund and shall provide the institutional and administrative framework required for its effective operation.

In its role as Host Institution, the Edo State Public-Private Partnership Agency shall be responsible for the day to day administration of the Project Facilitation Fund. This includes ensuring that the Fund is managed in accordance with applicable laws, approved policies, and internal control procedures, as well as providing the necessary governance and operational support in line with this Governance Rules and Operational Manual.

The hosting of the Project Facilitation Fund within the Edo State Public-Private Partnership Agency reflects the Agency's statutory responsibility for the development, coordination, and support of public private partnership projects in Edo State. The Fund shall operate within the institutional structure of the Agency and shall not constitute a separate legal entity. This arrangement shall not affect the oversight, reporting, audit, and accountability requirements applicable to the Fund under this Manual and relevant State financial management laws.

3.2. Fund Management Committee (Steering Committee)

The Project Facilitation Fund shall be overseen by a Fund Management Committee responsible for providing strategic direction, policy guidance, and fiduciary oversight. The Committee shall ensure that the Fund is administered with transparency, accountability, and a clear focus on results, and that all resources are applied exclusively to approved project preparation and facilitation activities. In furtherance of this mandate, the Committee shall approve the Fund's annual work plan and budget, consider and authorise eligible funding applications above the prescribed threshold, and oversee the overall fiduciary integrity and strategic performance of the Fund.

3.2.1. Composition of the Committee

The Steering Committee shall comprise representatives drawn from key State institutions with responsibilities for finance, planning, legal oversight, and public private partnerships, alongside selected independent members with relevant technical or private sector experience. This composition is designed to promote balanced decision making, effective institutional coordination, and informed oversight of the Fund. The Committee shall consist of members who shall be senior government officials and independent experts, as follows:

- (a) Commissioner of Finance or his or her representative who shall be the Chairman of the Committee;
- (b) the Head of the State PPP Agency or his representative serving as Vice Chairperson;
- (c) Officer Administering the Fund who shall be the Secretary of the Committee;
- (d) Head of the Edo State Investment Promotion Office or his or her representative;
- (e) The Head of the Edo State Public Procurement Agency or his or her representative;
- (f) a representative each from;
 - (i) Ministry responsible for works;
 - (ii) Ministry of Environment and Sustainability;
 - (iii) Ministry of Justice
 - (iv) Ministry of Physical Planning, Urban and Regional Development.
- (g) Where applicable, the Fund Management Committee may include one (1) independent expert or private sector representative with relevant expertise in infrastructure finance, project preparation, or public-private partnerships. Such a person shall be appointed by the Governor based on merit and demonstrated competence and shall serve on a part-time basis for a term of four (4) years, which may be renewable once.
- (h) Where necessary to effectively discharge its responsibilities, and in cases where such representation is not already included within the existing composition of the Committee, the Committee may be expanded to include representatives from relevant State Ministries, Departments, and Agencies.
- (i) All other members of the Fund Management Committee, apart from the Officer Administering the Fund, shall serve on a part-time basis for a term of Four (4) years and may be reappointed for another 4 years (4) and no more.
- (j) Any member of the Fund Management Committee may resign or be disqualified from continued service in accordance with the provisions of the Edo State PPP Law, 2025 or other applicable public service regulations.

3.2.2. Functions of the Committee

The core responsibilities of the Steering Committee include approving the Fund's annual business plan and budget, endorsing funding windows and eligibility criteria, approving projects for financing, and providing strategic guidance on the prioritisation of projects. The Steering Committee shall also review periodic performance reports, audit findings, and risk assessments, and shall take appropriate corrective actions where necessary.

In performing its functions, Steering Committee shall ensure that funded projects are aligned with State development priorities, demonstrate value for money, and are consistent with fiscal sustainability principles.

The Steering Committee shall meet at regular intervals as prescribed in its rules of procedure, and extraordinary meetings may be convened where urgent decisions are required.

3.2.3. Meetings of the Committee

The Committee will meet at least quarterly, or as needed, to address urgent project approvals. Decisions shall be made based on consensus or a simple majority, with all proceedings and resolutions formally documented.

Decisions of the Committee shall be documented formally and communicated to the Fund Secretariat for implementation. The Committee shall act collectively and shall not interfere in the day to day operational management of the Fund.

The quorum for any Steering Committee meeting shall be at least one-third of the members, including the Chairperson or their designated representative.

3.3 Officer Administering the Fund

The Officer Administering the Fund (OAF) shall be a senior, designated official within the PPP Agency, possessing relevant qualifications in finance, economics, project management, or a related discipline. The OAF shall be responsible for the efficient, transparent, and compliant day to day administration and operation of the Project Facilitation Fund (PFF), and shall be appointed by the Steering Committee in accordance with applicable governance and oversight arrangements.

- **Responsibilities:** The OAF acts as the primary custodian of the Fund's integrity. Their duties include supervising the Secretariat staff, ensuring full financial compliance with all relevant laws, and maintaining meticulous, accurate records of all transactions. They also serve as the Secretary to the Steering Committee, managing communications and preparing meeting materials.
- **Accountability:** The OAF shall be directly accountable to the Steering Committee for the technical and fiduciary performance of the Fund.

3.4 PFF Secretariat

The Secretariat shall be the operational arm of the Fund, housed within the State Public Private Partnership Agency, ensuring close integration with the State's PPP framework.

- **Role:** The Secretariat handles the technical and administrative workload of the PFF. This includes screening project proposals, conducting due diligence, managing the engagement and contracting process for external consultants and advisors, administering the finances under the direction of the OAF, and preparing detailed progress and financial reports for the Steering Committee.
- **Function within the PPP Agency:** By being situated within the PPP Agency, the Secretariat shall ensure that all project preparation activities are directly informed by the requirements for successful PPP structuring and market engagement

In carrying out its functions, the Secretariat shall work closely with sponsoring MDAs, the State PPP Agency, the Ministry of Finance, and other relevant institutions to ensure coherence across the project development cycle. The Secretariat shall operate in a professional, impartial, and service oriented manner, with a strong focus on achieving timely and high quality project preparation outcomes.

4. Flow of Funds

4.1 Fund Bank Accounts

The Project Facilitation Fund shall operate dedicated bank accounts established in line with the State's public financial management framework. These accounts shall be clearly identified and ring fenced to ensure that resources allocated to the Fund are used exclusively for approved project facilitation and preparation activities.

The Fund's bank accounts shall be operated under the Treasury Single Account structure or any other arrangement approved by the State Government. Signatories to the accounts shall be designated in accordance with applicable financial regulations, with appropriate checks and balances to safeguard public funds.

All financial transactions relating to the Fund shall be processed through these designated accounts. No off book accounts or parallel financial arrangements shall be permitted under any circumstances.

4.2 Inflows to the Fund

4.2.1. The Fund may receive resources from a variety of lawful and approved sources. These include:

- (a) annual State budgetary allocations which shall be formally appropriated by the State House of Assembly and released in line with the established budget execution calendar,
- (b) contributions from development partners, grants from donor agencies; and
- (c) other forms of technical or financial assistance provided in support of project preparation. :

Additional inflows may arise from cost sharing arrangements where private sector sponsors contribute to the preparation of projects that are expected to be commercially viable. Where projects supported by the Fund reach financial close, the Fund may also receive reimbursements, success fees, or other recoveries as provided for in the relevant funding agreements.

4.2.2. Financial Management, Reporting, and Audit

All inflows into the Project Facilitation Fund shall be promptly recorded, receipted, and accounted for through the State's approved financial management and accounting system, in line with **International Public Sector Accounting Standards (IPSAS)**. Financial records and reports shall be prepared to ensure transparency, accuracy, and auditability, enabling effective internal and external oversight.

The Fund shall be subject to annual independent audits in accordance with IPSAS, and audit reports shall be submitted to the Fund Management Committee, the Edo State Auditor-General, and other relevant oversight authorities. Any conditions, restrictions, or reporting requirements attached to external or third-party funding shall be clearly documented at the point of receipt and strictly complied with throughout the life of the funding. Compliance shall be reflected in financial reports and audit schedules in accordance with IPSAS and State financial regulations.

Funding Windows of the Project Facilitation Fund

The Project Facilitation Fund shall operate through defined funding windows designed to support project preparation, transaction execution, institutional capacity development, viability support, and fiscal risk management.

Window 1: Project Preparation, Technical Assistance, and Transaction Support for Contracting Authorities

Support under this window may be applied to finance eligible expenditures including:

- (a) Recoverable land acquisition-related costs, including compensation assessments, resettlement planning, environmental and social studies, and associated due diligence activities.
- (b) Consultancy and advisory services related to the State's public private partnership programme, including sector diagnostics, project identification studies, project concept development, feasibility studies, fiscal risk analysis, and other technical or financial assessments.
- (c) Costs associated with competitive procurement and market engagement processes, including project advertisements, investor outreach and promotion activities, preparation of bidding documents, bid evaluation support, and related communications.
- (d) Engagement and settlement of transaction advisory services, including financial, legal, technical, environmental, commercial, and safeguards advisers engaged for project structuring and procurement.
- (e) Other project preparation, market engagement, or capacity support activities approved by the Fund Management Committee, including stakeholder consultations and project-specific institutional strengthening.

Funding provided under sub-paragraphs (c) and (d) may, where appropriate, be structured as recoverable support, subject to conditions defined in the applicable Funding Agreement and in accordance with guidelines approved by the Fund Management Committee. All expenditures under this window shall be recorded and reported in line with IPSAS standards to ensure auditability.

Window 2: Capacity Development and Operational Support to the PFF Secretariat

Eligible expenditures under this window may include:

- (a) Consultancy and specialist advisory services required for fund administration, pipeline management, policy development, or safeguards and risk oversight.
- (b) Capacity building and professional development programmes for Secretariat staff and collaborating Ministries, Departments, and Agencies, including training on public private partnership structuring, safeguards, fiscal risk management, and project monitoring.
- (c) Acquisition, operation, and maintenance of office equipment, information systems, digital platforms, and associated software.
- (d) Research, analytical work, and development of tools, templates, and guidance materials.
- (e) Establishment and maintenance of knowledge management systems, data repositories, and reporting and monitoring frameworks.
- (f) Recurrent operational and administrative costs of the Secretariat, subject to approved budget limits.

Funding under this window shall be approved through the annual work plan and budget process of the Project Facilitation Fund, and all financial activities shall be reported in accordance with IPSAS to support internal oversight, external audit, and fiduciary compliance.

Window 3: Viability Support and Viability Gap Funding for Projects

Support under this window may take one or more of the following forms:

- (a) Capital grants provided during project construction, including support towards construction costs, land acquisition, resettlement, or environmental remediation undertaken after execution of a Project Agreement.
- (b) Recoverable advances provided to a Contracting Authority to meet specific project-related obligations.
- (c) Other recoverable financial support mechanisms approved in line with the financing policy of the Project Facilitation Fund.
- (d) Loans, equity contributions, or other financing instruments made available to a project in accordance with an approved Project Agreement.

All disbursements under this window shall be recorded in the accounting system, reported in accordance with IPSAS, and subject to independent audit.

Window 4: Liquidity Support for Contingent Liabilities Arising from Projects

This window provides a structured source of liquidity to address short-term fiscal exposure arising from contingent liabilities triggered under approved public private partnership Project Agreements.

Support under this window shall be applied only where:

- (a) The liabilities cannot be accommodated within existing State fiscal or treasury management frameworks.
- (b) The liabilities do not arise from obligations for which the Contracting Authority has already received budgetary provision.
- (c) The liabilities are validated by the Fund Management Committee as eligible for interim support.

All liquidity support provided shall be recorded, reported, and audited in accordance with IPSAS, and shall comply with State financial management regulations. Contingent liabilities arising directly from the default of a Contracting Authority shall remain the responsibility of that Authority. In exceptional circumstances, and as a last resort, a Contracting Authority may apply to the Project Facilitation Fund for a recoverable advance to meet such obligations, subject to strict eligibility conditions and repayment terms.

4.3 Outflows from the Fund

Disbursements from the Fund are governed by a robust control mechanism to ensure funds are used only for approved, eligible activities.

- **Authorized Use:** Outflows are strictly limited to payments for approved project preparation activities, transaction advisory services, capacity building, and essential administrative costs of the Secretariat.

- **Verification:** No payment shall be made without prior written approval from the Officer Administering the Fund, and only after the Secretariat has verified the completion of specific milestones or deliverables outlined in the relevant funding agreement or contract.

All outflows shall be supported by appropriate documentation, including approvals, contracts, invoices, and evidence of deliverables. The Officer Administering the Fund shall ensure that disbursements are processed in a timely manner while maintaining strict compliance with financial controls and accountability requirements.

5. Operations of the Fund

5.1 Business Planning and Financing Policy

The Project Facilitation Fund operates on the basis of clear and consistent principles of fiscal discipline, value for money, and long term strategic planning. These principles guide how resources are planned, allocated, and applied in support of project preparation and facilitation.

5.1.1. Annual Plan:

The Fund Secretariat shall prepare an Annual Business Plan and Budget for each financial year. The Plan shall outline projected inflows, the anticipated project pipeline, priority sectors, expected outputs, and planned allocations across the approved funding windows, procurement of advisory services, capacity development activities, and administrative expenditures. The Annual Business Plan shall be reviewed by the Officer Administering the Fund and submitted to the Fund Management Committee for approval. Once approved, it shall guide all operational and financial decisions of the Fund for the year.

In implementing the Annual Business Plan, the Fund shall prioritise projects that demonstrate high public value, alignment with the State's development priorities, fiscal sustainability, readiness for preparation, and a clear potential for private sector participation and progression towards bankability.

5.2 Financing Policy

The Financing Policy defines the terms and conditions under which financial support is provided by the Fund, with the overarching objective of using public resources to unlock private investment and improve the quality of project preparation.

The PFF will operate under a clear and accountable Financing Policy to govern fund inflows, outflows, prioritisation of disbursements, cost recovery, and sustainability mechanisms. The key elements include:

- Window-Based Disbursement Protocols:** Disbursements will be aligned to the specific purposes of each funding window. Each disbursement must be tied to approved project milestones or deliverables and be within the Fund ceilings allocated for each window.
- Cost-Sharing and Recoverability:** The Fund will apply cost-sharing principles to incentivise ownership and efficiency. Contracting Authorities may be required to contribute a defined proportion of project preparation costs, subject to ability-to-pay considerations and project priority. Where applicable, recoverable funding arrangements will be put in place to enable cost recovery from project revenues, PPP success fees, or budgetary reimbursements.

- (c) **Ring-Fencing of Donor Funds:** All Development Partner contributions will be ring-fenced and used strictly for purposes specified in the Financing Agreement(s). Separate reporting, audits, and evaluations may be required for these funds, in line with donor guidelines.
- (d) **Liquidity Management:** The Fund may hold idle balances in interest yielding instruments or fixed deposits to maximise returns, subject to approval by the Fund Management Committee and guidance from the Ministry of Finance and Office of the Accountant General of the State.
- (e) **Contingent Liability Coverage:** The Fund will maintain a standby reserve to address contingent liabilities that may arise from PPP contracts. Disbursement from this reserve will be based on clearly defined criteria, and replenishment mechanisms will be instituted via the annual budget process or other means approved by the Fund Management Committee

5.2.1. Cost Recovery and Claw Back:

While early stage project preparation may be supported on a grant basis, the Fund may apply cost recovery mechanisms for projects that advance successfully. These may include commitment fees, success fees, partial reimbursement at financial close, or other agreed cost sharing arrangements. Where a project is unjustifiably abandoned after Fund resources have been committed, a claw back mechanism may be applied to recover disbursed amounts from the sponsoring Ministry, Department or Agency's future budgetary allocations.

5.2.2. Co Funding:

To promote ownership and commitment, sponsoring entities may be required to contribute a defined percentage of project preparation costs from their own budgets. The level of co funding shall be determined based on the nature, scale, and risk profile of the project.

5.3 Funding Windows

The Fund deploys its resources through defined funding windows that correspond to the type and stage of support required, allowing for focused allocation and effective management of resources.

The Project Facilitation Fund shall operate through defined funding windows designed to support public private partnership project preparation, transaction execution, institutional capacity development, viability support, and fiscal risk management.

Window 1: Project Preparation, Technical Assistance, and Transaction Support for Contracting Authorities

This window provides direct support to Contracting Authorities to meet eligible third party costs incurred in the preparation and structuring of public private partnership projects. The objective of this window is to remove early stage financial and technical barriers that prevent Ministries, Departments, and Agencies from advancing priority projects to investment readiness.

Support under this window may be applied to finance eligible expenditures including the following:

- (a) Recoverable land acquisition related costs, including compensation assessments, resettlement planning, environmental and social studies, and associated due diligence activities.

- (b) Consultancy and advisory services related to the State's public private partnership programme, including sector diagnostics, project identification studies, project concept development, feasibility studies, fiscal risk analysis, and other technical or financial assessments.
- (c) Costs associated with the conduct of competitive procurement and market engagement processes, including project advertisements, investor outreach and promotion activities, preparation of bidding documents, bid evaluation support, and related communications.
- (d) Engagement and settlement of transaction advisory services, including financial, legal, technical, environmental, commercial, and safeguards advisers engaged for project structuring and procurement.
- (e) Other project preparation, market engagement, or capacity support activities approved by the Fund Management Committee from time to time, including stakeholder consultations and project specific institutional strengthening.

Funding provided under sub paragraphs (c) and (d) may, where appropriate, be structured as recoverable support, subject to conditions defined in the applicable Funding Agreement and in accordance with guidelines approved by the Fund Management Committee.

Window 2: Capacity Development and Operational Support to the PFF Secretariat

This window provides institutional and operational support to the Project Facilitation Fund Secretariat to enable it to discharge its mandate effectively and sustainably. It recognises that a well resourced Secretariat is essential for pipeline development, fund administration, market engagement, and fiduciary compliance.

Eligible expenditures under this window may include, but shall not be limited to, the following:

- (a) Consultancy and specialist advisory services required for fund administration, pipeline management, policy development, or safeguards and risk oversight.
- (b) Capacity building and professional development programmes for Secretariat staff and collaborating Ministries, Departments, and Agencies, including training on public private partnership structuring, safeguards, fiscal risk management, and project monitoring.
- (c) Acquisition, operation, and maintenance of office equipment, information systems, digital platforms, and associated software necessary for effective fund management.
- (d) Research, analytical work, and the development of tools, templates, and guidance materials to support project preparation and decision making.
- (e) Establishment and maintenance of knowledge management systems, data repositories, and reporting and monitoring frameworks.
- (f) Recurrent operational and administrative costs of the Project Facilitation Fund Secretariat, subject to approved budget limits and financial management rules.

Funding under this window shall be approved through the annual work plan and budget process of the Project Facilitation Fund and shall be subject to oversight by the Fund Management Committee.

Window 3: Viability Support and Viability Gap Funding for Projects

This window enables the Project Facilitation Fund to provide viability support and Viability Gap Funding to eligible public private partnership projects that are economically or socially justified but are not fully commercially viable on a standalone basis. The objective is to mobilise private investment while ensuring value for money, affordability, and fiscal sustainability.

Support under this window may take one or more of the following forms, as approved by the Fund Management Committee and documented in the relevant Project and Funding Agreements:

- (a) Capital grants provided during project construction, including support towards construction costs, land acquisition, resettlement, or environmental remediation undertaken after execution of a Project Agreement.
- (b) Recoverable advances provided to a Contracting Authority to meet specific project related obligations.
- (c) Other recoverable financial support mechanisms approved in line with the financing policy of the Project Facilitation Fund.
- (d) Loans, equity contributions, or other financing instruments made available to a project in accordance with an approved Project Agreement.

The Officer Administering the Fund shall periodically advise the Fund Management Committee on emerging categories of viability support or financing instruments required to advance the objectives of the Project Facilitation Fund.

Window 4: Liquidity Support for Contingent Liabilities Arising from Projects

This window provides a structured source of liquidity to address short term fiscal exposure arising from Contingent Liabilities triggered under approved public private partnership Project Agreements. It is intended to function as a risk management backstop and not as a substitute for prudent fiscal planning by Contracting Authorities.

The Project Facilitation Fund may be applied under this window to meet Contingent Liabilities where such liabilities meet the following conditions:

- (a) The liabilities cannot be accommodated within existing State fiscal or treasury management frameworks.
- (b) The liabilities do not arise from obligations for which the Contracting Authority has already received budgetary provision.
- (c) The liabilities are validated by the Fund Management Committee as eligible for interim support under the Project Facilitation Fund.

Contingent Liabilities arising directly from the default of a Contracting Authority shall remain the responsibility of that Authority. However, in exceptional circumstances and as a measure of last resort, a Contracting Authority may apply to the Project Facilitation Fund for a recoverable advance to meet such obligations, subject to strict eligibility conditions and repayment terms. Where a Contingent Liability arises from circumstances

beyond the control of both the Contracting Authority and the private party, and is confirmed as non recoverable, the Fund Management Committee may approve settlement under the Project Facilitation Fund in accordance with approved guidelines.

Eligibility criteria and funding limits for each window shall be approved by the Fund Management Committee.

5.4 Management of Funding Applications.

The process for accessing the Fund shall be structured, rigorous, and transparent, with the objective of ensuring that support is extended only to eligible projects that are well aligned with the Fund's objectives and the State's development priorities.

First, a sponsoring Ministry, Department or Agency shall submit a formal Project Concept Note and funding application to the Fund Secretariat, clearly setting out the project objectives, scope, level of readiness, and the justification for support from the Fund.

Upon receipt, the Fund Secretariat shall undertake an initial screening to verify completeness, eligibility, and strategic alignment. Applications that pass this stage shall proceed to a detailed appraisal, which may encompass technical, financial, legal, environmental, social, market, and fiscal assessments, as appropriate to the nature and scale of the project.

Following the appraisal, the Secretariat shall prepare a comprehensive evaluation report with a clear recommendation for consideration by the Fund Management Committee. The Committee shall be responsible for taking the final decision on the approval or rejection of the application.

5.5 Funding Agreement

Each approved project shall be governed by a funding agreement that clearly sets out the scope of support, expected outputs, implementation timelines, and reporting obligations. The agreement shall also define the conditions for disbursement, cost recovery where applicable, and remedies in the event of non-performance.

5.5.1. Parties

The Funding Agreement shall be entered into between the State PPP Agency, acting as administrator of the Fund on behalf of the State, and the beneficiary Ministry, Department or Agency.

5.5.2. Content

The agreement shall clearly define the scope of support, deliverables, milestones, disbursement schedule, reporting requirements, performance indicators, and any applicable cost recovery, repayment, or claw back provisions, as well as remedies for non performance. No expenditure shall be incurred under the Fund without a valid and executed Funding Agreement.

5.5.3. Dispute Resolution

Disputes between the PFF and the Contracting Authority arising from the implementation of the Agreement shall be resolved through mediation by the Fund Management Committee or an agreed arbitration panel (where stated in the funding agreement) and judicial proceedings as last resort.

5.6 Fund Disbursement

Disbursement of Fund resources shall be linked to the achievement of agreed milestones and delivery of verifiable outputs. This approach ensures that funds are released progressively and in line with actual project progress.

Disbursements shall be made in tranches strictly linked to the achievement of agreed milestones and the delivery of verifiable outputs, as specified in the Funding Agreement. Payments may be made directly to consultants and advisers or reimbursed to sponsoring entities following verification of eligible expenditure, subject to approval by the Officer Administering the Fund and in accordance with applicable financial regulations.

5.7 Fund Disbursement Tracking and Documentation

The Fund Secretariat shall maintain a robust system for tracking disbursements and monitoring the use of funds. This system shall record approved budgets, disbursement schedules, payments made, and remaining balances for each project.

All disbursements shall be supported by complete documentation, including invoices, progress reports, deliverables, and approval records. This documentation shall form part of the Fund's official records and shall be available for audit and oversight purposes.

6. Procurement and Contract Management

6.1 Procurement Principles and Framework

All procurement undertaken using resources from the Project Facilitation Fund shall be conducted in a manner that promotes transparency, fairness, competition, and value for money. Procurement activities shall comply fully with the Edo State Public Procurement Law, the Edo State Public Private Partnership Law, and any other applicable regulations or guidelines issued by the State.

The procurement framework of the Fund is designed to ensure that consultants, transaction advisers, and service providers are selected through objective and competitive processes that reflect the complexity, value, and risk profile of each assignment. At all times, procurement decisions shall be guided by professional judgement, integrity, and accountability.

6.2 Procurement Responsibilities

The primary responsibility for procurement under the Fund shall rest with the Project Facilitation Fund Secretariat, acting under the authority of the Officer Administering the Fund. This centralized approach is intended to ensure consistency, efficiency, and compliance with procurement rules.

In limited circumstances, and subject to the approval of the Fund Management Committee, a sponsoring Ministry, Department, or Agency may conduct procurement activities related to its project. In such cases, the Fund Secretariat shall provide oversight and technical support to ensure that procurement processes meet required standards.

No procurement shall be initiated without prior approval and confirmation of budget availability under the Fund.

6.3 Procurement Planning and Thresholds

An annual procurement plan shall be prepared as part of the Fund's Business Plan. This plan shall identify anticipated procurement activities, estimated costs, timelines, and proposed procurement methods.

Procurement thresholds and approval limits shall align with the State's public procurement framework. The selection of procurement methods shall be proportionate to the value and complexity of the assignment and shall be clearly justified in procurement documentation, or whether the process requires simplified quotes, competitive bidding, or direct negotiation for highly specialized services.

Any variation from the approved procurement plan shall require prior approval by the appropriate authority such as the Steering Planning Committee.

6.4 Engagement of Consultants and Transaction Advisors

Consultants and transaction advisers shall be engaged on the basis of demonstrated qualifications, relevant experience, and proven capacity to deliver high quality outputs, in accordance with applicable procurement rules. The standard methodology for the engagement of specialised transaction advisory services shall be quality and cost based selection, with primary emphasis placed on the technical quality of proposals rather than cost alone. Where appropriate, other permitted selection methods may be applied.

Prior to the commencement of procurement, comprehensive terms of reference shall be prepared and approved, clearly defining the scope of services, expected deliverables, implementation timelines, reporting requirements, and performance standards. To ensure consistency, transparency, and regulatory compliance, the Fund Secretariat shall utilise standardised request for proposals (RFQs) and contractual documents for all consultant and advisory engagements.

Where appropriate, framework arrangements or prequalified panels may be established to improve efficiency and reduce procurement timelines.

The Fund prioritizes the engagement of highly qualified experts to ensure the quality of project outputs.

6.5 Contract Management

Effective contract management is essential to ensure that services procured under the Fund deliver the intended results. The Fund Secretariat shall be responsible for overseeing contract performance, reviewing deliverables, and confirming that milestones are achieved before payments are made.

Contract management activities shall include regular communication with service providers, timely review of outputs, documentation of variations, and resolution of issues that may arise during implementation. Any significant change to the scope, cost, or timeline of a contract shall require formal approval in accordance with the Fund's governance arrangements.

Contracts shall include clear performance indicators and mechanisms for addressing non performance or substandard work.

6.6. Records and Documentation

Comprehensive records shall be maintained for all procurement and contract management activities. These records shall include procurement plans, bidding documents, evaluation reports, contracts, correspondence, invoices, and evidence of deliverables.

All records shall be securely stored and made available for audit, oversight, and reporting purposes. Proper documentation is a critical component of transparency and accountability and shall be treated as a core responsibility of the Fund Secretariat.

6.7. Procurement Monitoring and Reporting

The Fund Secretariat shall prepare periodic reports on procurement activities and contract performance. These reports shall provide information on procurement status, compliance with procedures, contract execution, and any challenges encountered.

Procurement reports shall be submitted to the Officer Administering the Fund and the Steering Committee as part of regular operational reporting. Where required, relevant information shall also be shared with oversight institutions such as the Ministry of Finance and in line with State regulations.

7. Audit and Internal Control

7.1 Internal Control Framework

The Project Facilitation Fund shall maintain a robust internal control framework designed to safeguard its resources, ensure operational efficiency, and promote accountability. This framework shall establish clear roles and responsibilities, approval hierarchies, and procedures to manage risks related to finance, procurement, and project implementation. All financial recording, reporting, and disclosure under this framework shall be carried out in accordance with the accounting system and reporting standards provided in Section 4.2, ensuring consistency, transparency, and auditability across all Fund operations.

Key components of the internal control framework include segregation of duties, dual signatories for fund disbursements, verification of supporting documentation, and regular reconciliation of financial records. The framework shall also require systematic documentation of decisions, approvals, and project milestones to ensure transparency and traceability.

7.2 Internal Audit

An internal audit function shall be established within the Project Facilitation Fund to provide independent and objective assessment of Fund operations. The internal audit shall be carried out by an Internal Auditor, who shall be an officer of the Edo State Public-Private Partnership Agency or, where appropriate, may be seconded from any relevant Ministry, Department, or Agency. The Internal Auditor shall examine financial management practices, compliance with the Fund's policies and procedures, and the adequacy of operational and internal controls.

Internal audits shall be conducted at least quarterly and shall focus on key risk areas, including procurement, disbursement, reporting, and project implementation. Audit findings and recommendations shall be documented

and communicated to the Officer Administering the Fund and the Steering Committee, who shall take appropriate corrective or preventive action to strengthen Fund operations and governance.

7.3 External Audit

To ensure independent verification of Fund activities, an annual external audit shall be conducted by the Office of the State Auditor-General or a reputable independent auditing firm appointed in accordance with State law. The external audit shall assess the Fund's financial statements, compliance with legal and regulatory requirements, and the effectiveness of internal controls.

Audit findings shall be presented to the Steering Committee, the Officer Administering the Fund, and relevant oversight bodies. Recommendations arising from the audit shall be implemented promptly to strengthen accountability and operational performance.

7.4 Fraud, Misuse, and Financial Irregularity Response

The Fund shall maintain a zero-tolerance policy towards fraud, financial misuse, or irregularities. All cases of suspected misconduct shall be investigated promptly and appropriate action shall be taken, including recovery of misappropriated funds, administrative sanctions, or referral to legal authorities as necessary.

The Fund shall also establish a grievance and whistleblower mechanism, allowing staff, stakeholders, and citizens to confidentially report suspected irregularities. This mechanism shall be transparent, accessible, and protected from retaliation.

7.5 Monitoring, Learning, and Continuous Improvement

The Fund shall institutionalise processes for monitoring, learning, and continuous improvement. Lessons learned from project preparation, procurement, and financial management activities shall be documented and used to enhance future operations.

Periodic reviews of Fund operations shall be undertaken to assess efficiency, effectiveness, and alignment with State development priorities. Recommendations from these reviews shall inform updates to procedures, guidelines, and operational manuals to ensure that the Fund remains adaptive, accountable, and capable of achieving its objectives.

8. Anti-Fraud, Corruption, and Safeguard Measures

8.1 Anti-Fraud and Anti-Corruption

The Project Facilitation Fund (PFF) shall enforce a zero-tolerance approach to all forms of fraud, corruption, and unethical behavior. Maintaining integrity, transparency, and accountability is central to the Fund's operations and is embedded in every stage of project identification, appraisal, approval, and implementation.

8.1.1. Code of Conduct

All individuals involved with the Fund, including Steering Committee members, Secretariat staff, consultants, and advisers shall be required to sign and strictly adhere to a Code of Conduct and Ethics. The Code outlines

standards of professionalism, impartiality, confidentiality, accountability, and responsible use of public resources.

8.1.2. Conflict of Interest

Members of the Steering Committee, reviewers, and any other decision-making personnel shall formally declare any actual or potential conflicts of interest on an annual basis or as they arise. Where a conflict is identified, the individual shall recuse themselves from all deliberations, reviews, or approvals relating to that project, ensuring that decisions remain impartial and credible.

8.1.3. Reporting and Whistleblowing

The Fund shall provide confidential and accessible channels for reporting suspected fraud, corruption, or unethical behavior. All reports will be promptly investigated, with findings documented and appropriate disciplinary or legal actions taken where misconduct is confirmed.

8.2 Environmental and Social Safeguards

The Fund shall support projects that are environmentally sustainable, socially responsible, and aligned with inclusive development objectives. All projects financed by the PFF shall uphold high standards of environmental and social performance.

8.2.1. Legal and Policy Compliance

All projects must comply with applicable National and State Laws, and policies on environmental protection, land acquisition, resettlement, and social safeguards. Compliance is mandatory and a prerequisite for Fund support.

8.2.2. ESIA and RAP Preparation

The Fund finances the preparation of Environmental and Social Impact Assessments (ESIA) and Resettlement Action Plans (RAPs), where required. These instruments are designed to identify, prevent, and mitigate potential negative impacts on communities, ecosystems, and other stakeholders. They ensure that projects are implemented responsibly and sustainably.

8.2.3. Proactive Risk Management

Beyond meeting the compliance requirements, the Project Facilitation Fund emphasizes a truly **proactive** approach to environmental and social risk management. This means we treat the protection of communities and natural resources as an integral part of project preparation. The approach involves:

- (a) **Early Impact Assessment:** We insist on assessing the potential environmental and social impacts of a project very early in its development cycle, long before construction begins. This allows for informed decision making.
- (b) **Mitigation Integration:** Crucially, we integrate specific and effective mitigation measures directly into the project's design and structure, ensuring potential harm is avoided or minimized from the outset.

- (c) **Ongoing Performance Monitoring:** We do not stop there. The Fund requires continuous monitoring of a project's environmental and social performance throughout the preparation phase and beyond, holding the implementing Ministry, Department, or Agency accountable to prevent unintended negative consequences to local communities and our shared natural resources.

8.2.4. Capacity Building

The Fund may provide technical assistance and training to sponsoring Ministries, Departments, or Agencies (MDAs) and other stakeholders to strengthen their ability to implement and monitor safeguard measures effectively.

8.3 Institutional Responsibilities

8.3.1. Sponsoring Entities (MDAs)

The Ministry, Department, or Agency leading the project holds primary responsibility for implementing approved ESIA and Resettlement Action Plan (RAP) measures where applicable, monitoring compliance, and reporting progress to the Fund Secretariat. MDAs must ensure that mitigation measures are fully applied throughout the project lifecycle.

8.3.2. Fund Secretariat

The Secretariat shall reviews and validates the quality of Environmental and Social Impact Assessment (ESIA) and RAP documents, ensures safeguard requirements are incorporated into the Funding Agreement, and actively monitors compliance during project execution. The Secretariat also provides guidance and technical support to MDAs, helping them address any challenges in meeting safeguard obligations.

8.4 Enforcement and Oversight

The PFF applies strict enforcement mechanisms to uphold anti-fraud, anti-corruption, and safeguard standards such as:

8.4.1. Conditional Disbursement:

Release of funds shall be tied to compliance with agreed ethical, environmental, and social standards. Non-compliance may result in suspension of disbursements.

8.4.2. Clawback and Recovery

In cases where funds are misused or safeguard obligations are ignored, the Fund may require repayment of disbursed amounts.

8.4.3. Termination and Legal Action:

Persistent breaches or serious misconduct may lead to termination of the Funding Agreement or referral to legal authorities.

8.4.4. Audit and Review

Regular audits, monitoring, and reporting mechanisms are maintained to ensure accountability, transparency, and public confidence in the Fund.

8.5 Promoting a Culture of Integrity

The Project Facilitation Fund fosters a strong culture of integrity, transparency, and responsibility, both socially and environmentally. All stakeholders, including Ministries, Departments, and Agencies, advisers, consultants, and Committee members, are expected to lead by example, upholding the highest standards of professionalism, accountability, and ethical conduct. Each project supported by the Fund should reflect a clear commitment to sustainable development and responsible management of public resources.

9. Duration and Winding Up of the Fund

9.1 Permanence and Periodic Review

The Project Facilitation Fund is established as a permanent institution, supported by the State's enabling legislation, to provide sustainable financing and facilitation for project preparation. Its legal foundation under the State's Public Private Partnership Law ensures continuity and formal recognition within the public sector.

To maintain relevance, effectiveness, and alignment with evolving policy, economic priorities, and best practices, the Fund's operations, institutional arrangements, and governance framework shall be reviewed comprehensively every five years. This review will assess processes, funding mechanisms, project outcomes, and the overall efficiency of the Fund, and may include recommendations to enhance its performance, transparency, and impact.

9.2 Conditions for Winding Up or Restructuring

The Fund may only be dissolved or substantially restructured through a formal legislative process. Such actions are considered extraordinary measures and would occur only under exceptional circumstances, such as the repeal of the enabling PPP legislation or a persistent inability of the Fund to mobilize financing or deliver projects effectively. Any proposal for winding up or restructuring must be fully justified, carefully documented, and formally approved by the relevant legislative authority.

9.3 Treatment of Outstanding Commitments

In the event of winding up, the Fund will follow a clear and responsible protocol to ensure that obligations are met. All financial commitments to consultants, contractors, and sponsoring Ministries, Departments, or Agencies must be fully honored. Where possible, outstanding commitments may be transferred to a designated successor institution to maintain continuity of project preparation activities and prevent disruption of critical initiatives.

9.4 Institutional Transition and Knowledge Preservation

Should the Fund be restructured or dissolved, it is essential to preserve its institutional knowledge, processes, and project documentation. All project preparation records, reports, data, and other institutional knowledge maintained by the Secretariat shall be formally transferred to the State PPP Agency or an appointed successor

institution. This transfer will safeguard public sector intellectual property, ensure continuity of project support, and retain valuable lessons learned to inform future project development and delivery.

10. Fund Performance Management Framework

10.1 Purpose and Scope

This section sets out the framework for measuring, monitoring, and improving the performance of the Project Facilitation Fund. The objective is to ensure that the Fund delivers high quality project preparation outcomes, operates efficiently, and remains accountable for the use of public resources.

The performance management framework applies to all activities financed by the Fund and covers project preparation outputs, financial management, governance standards, safeguard compliance, and institutional capacity development.

10.2 Key Performance Areas

The performance of the Fund shall be assessed across clearly defined areas that capture both how effectively the Fund operates and the development results it achieves. These performance areas provide a balanced view of operational discipline, quality of outputs, and long term impact.

Assessment shall cover the quality, robustness, and completeness of project preparation outputs, the efficiency and timeliness of Fund processes, and strict compliance with approved budgets, financial controls, and operating procedures. It shall also evaluate adherence to environmental, social, and fiscal safeguard requirements, as well as the extent to which the Fund contributes to strengthening public sector capacity for project development and delivery.

By applying this comprehensive approach, performance assessment goes beyond financial compliance to reflect the broader outcomes, institutional benefits, and sustainable value created by the Fund over time.

10.3 Performance Indicators

The Fund Secretariat shall develop and maintain a clear and practical set of performance indicators linked to each of the Fund's key performance areas. These indicators shall provide a structured basis for tracking progress, identifying implementation constraints, and supporting informed and evidence based decision making across the lifecycle of Fund supported activities.

10.3.1 In relation to project advancement, indicators shall include:

- the number and proportion of projects that successfully complete feasibility studies and due diligence;
- the number of projects that progress to procurement readiness or achieve financial close, and the average time taken for projects to move from initial approval to key preparation milestones;
- The level of private sector investment mobilised as a direct result of Fund supported project preparation shall also be tracked as a core indicator of development impact.

10.3.2. To assess the quality and integrity of Fund operations, indicators shall measure compliance with:

- approved budgets

- financial controls;
- operating procedures;
- adherence to governance and fiduciary standards.
- The quality and usefulness of advisory services shall be assessed through the timely delivery of agreed outputs, the technical soundness of studies and transaction documents, and feedback from sponsoring Ministries, Departments, and Agencies.

10.3.3. Performance indicators shall further evaluate the effectiveness of environmental and social safeguard implementation, including the timely preparation and approval of required assessments, the incorporation of mitigation measures into project design, and compliance with agreed safeguard conditions during preparation.

10.3.4. Capacity development outcomes shall be measured through indicators such as the number of officials trained, improvements in institutional processes for project preparation, and the demonstrated ability of public sector entities to manage and advance projects with reduced reliance on external support.

These performance indicators shall be reviewed periodically and refined as necessary to ensure that they remain relevant, proportionate, and closely aligned with the objectives of the Fund and the State's development priorities, while continuing to reflect lessons learned from implementation experience.

10.4 Monitoring and Reporting Procedures

The Fund shall operate a clear and well defined monitoring and reporting process throughout the financial year to ensure transparency, accountability, and informed management oversight.

The Fund Secretariat shall prepare quarterly performance and financial reports that present an accurate picture of project progress, fund disbursements, emerging risks, and implementation challenges. These reports shall provide management with a concise overview of Fund activities and draw attention to issues that require timely decision making or corrective action.

At the close of each financial year, the Secretariat shall prepare a comprehensive annual performance report that brings together achievements, challenges encountered, lessons learned, and proposed areas for improvement. This report shall be reviewed by the Officer Administering the Fund and submitted to the Fund Management Committee to inform guidance, policy direction, and strategic planning.

Effective monitoring shall be supported by regular and constructive engagement with sponsoring Ministries, Departments, and Agencies, as well as consultants and advisers. This ongoing interaction shall help ensure that information is accurate, current, and reflective of actual project conditions, thereby strengthening the quality and reliability of Fund reporting.

10.5 Independent Evaluation

The Fund shall be subject to periodic independent evaluations to provide an objective and impartial assessment of its performance and overall effectiveness.

These evaluations shall assess the relevance of the Fund's objectives, the effectiveness and efficiency of its operations, and the sustainability of the outcomes achieved through Fund supported activities. Evaluations may

be conducted at mid cycle or at the conclusion of a defined operational period, as determined by the Fund Management Committee, taking into account the scale and maturity of the Fund's activities.

The findings and recommendations arising from independent evaluations shall be fully documented and shared with relevant stakeholders. They shall be used to inform policy refinements, strengthen operational practices, and guide future funding priorities, ensuring that the Fund continues to deliver value and remains responsive to evolving development needs.

10.6 Feedback and Continuous Improvement

The Fund shall actively promote a culture of learning and continuous improvement across all aspects of its operations. Feedback from project sponsors, consultants, private sector participants, and development partners shall be systematically collected, reviewed, and analysed to inform ongoing refinement of Fund practices.

Lessons learned from implementation experience shall be carefully documented and incorporated into updated procedures, revised templates, and improved guidance materials. Through this approach, the Fund remains responsive to practical experience, strengthens its effectiveness over time, and continues to align its operations with evolving good practice in project preparation and public private partnership delivery.

10.7 Alignment with State Monitoring Systems

The Fund's performance management arrangements shall be aligned with the State's existing monitoring, evaluation, and reporting systems to ensure consistency and coherence across government processes.

Performance data and reports generated by the Fund shall be integrated into State planning, budgeting, and fiscal management frameworks, including the Medium Term Expenditure Framework and public investment management systems. This alignment ensures that the Fund's activities are closely linked to wider State development objectives and supports informed policy formulation, investment prioritisation, and budgetary decision making at senior levels of government.

11. Approval, Publication, and Transparency

The Project Facilitation Fund Operational Manual shall, upon finalization, be submitted to the State Executive Council (ExCo) or any other designated approval authority for formal approval. This process shall provide the necessary legal and institutional endorsement for the establishment, operation, and management of the Fund.

Following formal approval, the approved documents shall be published on the State's official website. This publication shall ensure transparency, accessibility to all relevant Ministries, Departments, and Agencies, and alignment with public financial management norms and standards.

The approval and publication process shall be conducted in a timely manner to enable effective implementation of the Fund and to reinforce accountability, visibility, and stakeholder confidence in the Project Facilitation Fund.

12. Conclusion

The Governance Rules and Operational Manual serves as a foundational document, formally establishing the Project Facilitation Fund (PFF) as the State's primary tool to ensure vital infrastructure projects are well-prepared, bankable, and aligned with long-term economic growth objectives.

The Fund's design systematically addresses the critical preparation gaps that commonly hinder the success of major public-private partnerships. By dedicating resources to the crucial early stage activities from rigorous feasibility studies to specialized transaction advisory services and structured market engagement the PFF acts as a sophisticated de-risking tool. This strategic investment in project maturity significantly enhances the probability of attracting and securing necessary private capital.

The true success of the PFF will be measured not by the volume of funds disbursed, but by the tangible outcomes realized: the number of projects that transition successfully from concept to financial close, and the subsequent delivery of essential services and sustainable economic benefits to the populace. The strict governance framework detailed within this document, including the financial ring fencing of accounts, a zero tolerance policy for financial misconduct, and mandatory adherence to high environmental and social safeguard standards, ensures that every public resource is allocated and utilized with uncompromising integrity and maximum public value.

Strict and consistent adherence to the rules and procedures established here will yield a dual benefit for the State:

1. **Investment Confidence:** It will establish a reliable, transparent pipeline of prepared projects, securing the State's reputation and competitive advantage in attracting both local and international investment.
2. **Institutional Excellence:** It will embed a culture of accountability, technical rigor, and financial stewardship across all relevant Ministries, Departments, and Agencies, elevating the standard of public sector project management.

This manual is recognized as a dynamic institutional guide, subject to periodic review and adaptive refinement. This commitment to continuous improvement ensures the Fund remains operationally efficient and strategically responsive to the evolving requirements of the infrastructure finance market. The PFF stands as a clear articulation of the State's commitment to building a resilient and prosperous future, delivering lasting infrastructure, one expertly prepared project at a time.

13. Annexures

Annexure 1 - Terms of Reference for the Project Facilitation Fund Secretariat

Purpose

The Secretariat serves as the operational arm of the Fund. Its primary purpose is to deliver professional and administrative support to both the Fund Management Committee and the Officer Administering the Fund. It exists to ensure all operations are conducted with efficiency, transparency, and accountability.

Core Responsibilities

The Secretariat is entrusted with the following key responsibilities:

- (a) to screen, appraise, and prioritise all funding applications in strict alignment with established Fund policies;
- (b) to conduct comprehensive due diligence for projects, encompassing technical, financial, legal, and environmental assessments;
- (c) to manage all procurement processes for required consultants, transaction advisers, and advisory services;
- (d) to oversee the disbursement of Fund resources, ensuring all releases are firmly linked to the achievement of predefined project milestones;
- (e) to maintain impeccable and accurate records for all applications, approvals, disbursements, and project outputs;
- (f) to prepare detailed quarterly and annual operational and financial reports for review by the Officer Administering the Fund and the Fund Management Committee;
- (g) to implement robust systems for risk management, safeguard compliance, and internal controls;
- (h) to support capacity building initiatives for project sponsors and relevant State institutions;
- (i) to maintain a central repository for all project documentation, lessons learned, and knowledge products;
- (j) to facilitate constructive stakeholder engagement and clear public communication regarding Fund activities.

Reporting Line

The Secretariat reports directly to the Officer Administering the Fund. The Officer Administering the Fund subsequently reports to the Fund Management Committee, ensuring a clear and accountable chain of oversight.

Composition

To fulfil its mandate effectively, the Secretariat shall be composed of:

- A Head of Secretariat;
- Technical Advisory Staff with expertise in finance, legal affairs, project structuring, and environmental and social safeguards;
- Procurement and Administration Staff;
- A Monitoring and Evaluation Officer.

Appendix 2: Sample Project Facilitation Fund Funding Agreement

Agreement for Project Preparation Funding

This Agreement is made on [Date]

Between:

(1) The State of [State Name], acting through the Project Facilitation Fund Secretariat, whose principal office is at [Address] (hereinafter referred to as "the Fund").

(2) [Legal Name of Project Sponsor/Entity], a company/organization duly established under the laws of [Jurisdiction], whose principal office is at [Address] (hereinafter referred to as "the Sponsor").

The Fund and the Sponsor are individually referred to as a "Party" and collectively as the "Parties."

1. Recital & Purpose

This Agreement formalizes the provision of a grant from the Project Facilitation Fund to the Sponsor. The purpose of this grant is to support essential preparatory activities for the project titled "[Project Name]" (the "Project"), as detailed in the approved proposal attached as Annex A. The objective is to enhance the Project's readiness for full-scale implementation and financing.

2. Definitions & Interpretation

In this Agreement, unless the context requires otherwise:

“Commencement Date” means the date specified in Clause 3.1.

“Contract Sum” means the total approved funding amount specified in Clause 4.

“Deliverables” means the outputs and reports listed in Clause 6.

“Effective Date” is the later of the dates on which both Parties have signed this Agreement.

“Milestones” are the key achievements linked to disbursement, as detailed in the approved work plan in Annex B.

3. Agreement Duration & Commencement

3.1 This Agreement shall come into full force and effect on the Effective Date.

3.2 The activities under this Agreement shall commence on [Insert Start Date] (the “Commencement Date”).

3.3 This Agreement shall remain in effect until [Insert End Date] or until the completion of all Deliverables and reporting obligations, whichever is later, unless terminated earlier under Clause 11.

4. Contract Sum & Payment Terms

4.1 The total funding approved under this Agreement (the “Contract Sum”) is [Amount in Figures] ([Amount in Words]) in [Local Currency].

4.2 Disbursement of the Contract Sum shall be made in tranches, strictly contingent upon the Sponsor's written request and the Fund's written certification that the corresponding Milestones in Annex B have been satisfactorily completed.

4.3 All payments shall be made into a designated bank account provided in writing by the Sponsor.

5. Scope of Support

The Fund agrees to finance the specific preparatory activities described in the approved Project Proposal (Annex A). These activities may include, but are not limited to:

- Feasibility and pre-feasibility studies.
- Transaction advisory and financial structuring services.
- Environmental, social, and climate impact assessments.
- Technical design and preliminary engineering.
- Capacity building for relevant stakeholders.

6. Project Deliverables

The Sponsor shall produce and submit to the Fund the following key Deliverables, according to the schedule in Annex B:

- Approved Inception Report and final Terms of Reference.
- Completed Feasibility Study Report.
- Finalized Environmental and Social Impact Assessment (ESIA) and Management Plan.
- Agreed outputs from Transaction Advisory services.
- Completion Report summarizing all activities, outcomes, expenditures, and lessons learned.

7. Reporting Obligations

The Sponsor shall submit to the Fund:

Quarterly Progress Reports within 15 days of the end of each quarter.

A Final Report** within 45 days of project completion.

All reports shall detail activities, progress against milestones, outputs, expenditures, and any material challenges.

8. Compliance & Audit

8.1 The Sponsor shall comply with all Fund policies, procurement guidelines, financial management rules, and environmental and social safeguard frameworks, as well as all applicable national laws.

8.2 The Sponsor shall maintain accurate and separate financial records for all grant expenditures. The Fund, or its appointed auditors, reserves the right to audit these records upon reasonable notice for a period of five years following the Agreement's termination.

9. Liability & Indemnity

9.1 The total aggregate liability of the Fund under this Agreement shall not exceed the Contract Sum.

9.2 The Sponsor shall indemnify, defend, and hold harmless the Fund, its officers, and agents from and against any and all claims, losses, liabilities, damages, and expenses arising from the Sponsor's negligence, willful misconduct, or breach of this Agreement in the execution of the Project activities.

10. Force Majeure

10.1 Neither Party shall be liable for any failure or delay in performing its obligations if such failure or delay is caused by a Force Majeure Event—circumstances beyond its reasonable control, including but not limited to acts of God, war, civil commotion, or natural disasters.

10.2 The affected Party must notify the other in writing promptly and use all reasonable efforts to mitigate the impact. If the event persists for more than 60 days, either Party may terminate this Agreement without liability.

11. Termination

11.1 The Fund may suspend or terminate this Agreement with immediate written notice if the Sponsor:

- (a) Materially fails to meet agreed Deliverables or Milestones;
- (b) Breaches any term of this Agreement and fails to remedy such breach within 30 days of written notice;
- (c) Becomes insolvent or undergoes dissolution.

11.2 Upon termination, the Sponsor shall immediately cease all activities, submit a final report and financial statement, and return any unexpended grant funds to the Fund.

12. Dispute Resolution (Alternative Dispute Resolution - ADR)

12.1 Any dispute arising from this Agreement shall first be attempted to be resolved amicably through good-faith negotiations between senior representatives of the Parties.

12.2 If unresolved within 30 days, the dispute shall be referred to and finally settled by mediation under the rules of [e.g., the local Chamber of Commerce]. If mediation fails, the dispute shall be resolved by binding arbitration in [City, State], in accordance with the laws of [State Name].

13. General Provisions

13.1 Severability: If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

13.2 Entire Agreement: This Agreement, including its Annexes, constitutes the entire understanding between the Parties and supersedes all prior discussions and agreements relating to the Project.

13.3 Assignment: The Sponsor shall not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Fund.

13.4 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of [State Name].

13.5 Notices: All formal notices under this Agreement shall be in writing and delivered by registered mail or email to the addresses specified in the Preamble.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate on the date first above written.

For and on behalf of the Fund:

Signature: _____

Name:[Name of Officer Administering the Fund]

Title: [Title]

Date: _____

For and on behalf of the Sponsor:

Signature: _____

Name: [Name of Authorized Representative]

Title:[Title]

Date: _____

Annexes:

Annex A:Approved Project Proposal

Annex B:Detailed Work Plan, Milestones, and Payment Schedule

Appendix 3: Sample Project Facilitation Fund Application Form Template

Project Information

- Project Name:
- Project Sponsor:
- Sector:
- Stage of Development: Concept / Pre-feasibility / Feasibility / Transaction Preparation
- Geographic Location:

Project Description

- Objectives:
- Expected Outputs:
- Strategic Alignment with State Priorities:

Funding Request

- Requested Amount:
- Proposed Activities and Milestones:
- Duration of Project:

Technical Information

- Key Technical Requirements:
- Required Advisory Services:
- Environmental and Social Safeguards Considerations:

Financial Information

- Total Project Cost:
- Funding Sources (including Fund contribution, own resources, co-financing):
- Cost Recovery or Sustainability Plan:

Declarations

- I hereby declare that all information provided is true and correct.
- I understand that provision of funding is subject to compliance with Fund rules and approval processes.

Signature of Project Sponsor:

Date:

Appendix 4: Project Evaluation and Scoring Template

Purpose

This template provides a standardised and transparent tool for evaluating applications submitted to the Project Facilitation Fund. It ensures that projects are assessed consistently, fairly, and in line with the Fund's objectives, while allowing evaluators to apply informed professional judgement.

The scoring outcome supports recommendations to approve, conditionally approve, or decline applications for Fund support.

Scoring Methodology

Each project is assessed against defined criteria reflecting strategic relevance, technical and financial soundness, readiness, and safeguard compliance. Scores are assigned on a scale of one to five and multiplied by the approved weight for each criterion. The weighted scores are aggregated to produce an overall project score.

Scores must be supported by written justification and reference to evidence provided in the application.

Scoring Scale

One indicates the criterion is poorly addressed or unsupported.

Three indicates the criterion is adequately addressed with some gaps.

Five indicates the criterion is fully addressed and well supported by evidence.

Project Evaluation and Scoring Form

Project Title:

Project Sponsor:

Sector:

Date of Evaluation:

Evaluator(s):

Evaluation Criterion	Weight (%)	Score (1–5)	Weighted Score
Alignment with State Development Priorities	20		
Technical Feasibility and Soundness	15		
Financial and Economic Viability	15		
Potential for Private Sector Participation	15		
Environmental and Social Safeguards Readiness	15		
Institutional Capacity of Project Sponsor	10		
Project Readiness and Implementation Timeline	10		
Total			100

Overall Weighted Score:

Interpretation of Results

Projects scoring at the higher end of the scale demonstrate strong alignment with State priorities, credible preparation pathways, and a high likelihood of successful delivery.

Projects with moderate scores may be considered for conditional approval, subject to clearly defined actions such as additional studies, strengthened safeguards, or improved institutional arrangements.

Projects with low scores indicate insufficient readiness or alignment and should not be supported at the current stage.

Recommendation

- Approve for funding;
- Conditionally approve subject to specified actions;
- Do not approve;

Key Conditions or Comments:

Evaluator Signature:

Date:

Use and Review

This template shall be used for all project evaluations under the Project Facilitation Fund. The weighting structure may be reviewed periodically by the Fund Management Committee to reflect evolving priorities, provided that any revisions are applied consistently within a funding cycle.

Appendix 5: Sample Annual Report Template

Purpose of the Annual Report

The Annual Report provides a comprehensive account of the activities, financial performance, and results of the Project Facilitation Fund over a defined financial year. Its purpose is to promote transparency, support accountability, inform policy and budgetary decisions, and communicate progress to stakeholders.

The Report serves as an official record of the Fund's operations and performance and supports oversight by the Fund Management Committee, relevant State authorities, development partners, and the public where applicable.

Cover Page

Project Facilitation Fund Annual Report
 Reporting Year
 Prepared by the Project Facilitation Fund Secretariat
 Submitted to the Fund Management Committee

1. Executive Summary

This section provides a concise overview of the Fund's mandate, key achievements during the reporting year, and major developments. It should highlight progress against objectives, significant milestones achieved, and any material challenges encountered.

The Executive Summary should present a clear narrative of how the Fund contributed to improved project preparation and investment readiness during the year.

2. Background and Mandate of the Fund

This section briefly restates the purpose of the Project Facilitation Fund, its role within the State's infrastructure and public private partnership framework, and the strategic objectives guiding its operations during the reporting year.

Any changes to policy direction, governance arrangements, or operational scope should be noted.

3. Governance and Institutional Arrangements

This section outlines the governance structure of the Fund, including the composition and activities of the Fund Management Committee, the role of the Officer Administering the Fund, and the functioning of the Fund Secretariat.

Information on the number of Committee meetings held, key decisions taken, and governance improvements introduced during the year should be included.

4. Operational Performance

This section provides a detailed account of Fund operations during the reporting year. It should include:

- Number of project applications received, screened, and evaluated.
- Number of projects approved for funding.
- Summary of activities supported under each funding window.
- Status of funded projects, including progress against milestones.

The section should present both quantitative data and qualitative insights on operational performance.

5. Financial Performance

This section presents a summary of the Fund's financial position and performance for the year. It should include:

- Opening balance at the start of the year.
- Total inflows, including State budgetary allocations, donor contributions, and recoveries.
- Total outflows, disaggregated by major expenditure categories.

6. Project Highlights and Outcomes

This section showcases selected projects supported by the Fund during the year. For each highlighted project, a brief narrative should describe the project objective, the support provided by the Fund, and the outcomes achieved.

Where applicable, the section should note projects that progressed to procurement or financial close, as well as anticipated development impacts.

7. Environmental, Social, and Safeguard Performance

This section summarises how environmental and social safeguards were applied across Fund supported projects. It should describe screening activities, assessments conducted, mitigation measures adopted, and compliance monitoring.

Any significant safeguard issues encountered and how they were addressed should be reported transparently.

8. Risk Management and Internal Control

This section outlines key risks identified during the year and the measures taken to manage them. It should cover financial, operational, procurement, and governance risks, as well as any incidents of non compliance or irregularity and the actions taken in response.

The effectiveness of internal controls and audit activities during the year should also be summarised.

9. Capacity Building and Knowledge Development

This section reports on capacity building activities supported by the Fund, including training programmes, workshops, technical assistance, and knowledge sharing initiatives.

Information on the number of participants, institutions supported, and outcomes achieved should be included.

10. Performance Assessment

This section presents an assessment of the Fund's performance against its key performance areas and indicators as set out in the Performance Management Framework. It should include progress against targets and an explanation of any variances.

11. Lessons Learned and Continuous Improvement

This section captures lessons derived from Fund operations, project preparation activities, and stakeholder engagement. It should identify areas for improvement and actions proposed to strengthen Fund effectiveness in future periods.

12. Outlook and Work Plan for the Coming Year

This section outlines priorities, planned activities, and strategic focus areas for the next financial year. It should provide an overview of anticipated projects, funding needs, and operational improvements.

13. Conclusion

This section provides a brief closing reflection on the Fund's overall performance during the year and its contribution to the State's development objectives.

Approval and Sign Off

Prepared by
Project Facilitation Fund Secretariat

Reviewed by
Officer Administering the Fund

Approved by
Fund Management Committee

Date