



PROJECT FACILITATION FUND (PFF) GOVERNANCE AND OPERATIONS MANUAL



**JIGAWA STATE GOVERNMENT PUBLIC-PRIVATE
PARTNERSHIP SUPPORT**

DECEMBER, 2025

ACRONYMS / ABBREVIATIONS

AfDB	African Development Bank
CA	Contracting Authority
CL	Contingent Liability
DFI	Development Finance Institution
DP	Development Partner
FAQ	Frequently Asked Questions
FCCL	Fiscal Commitments and Contingent Liabilities
FGN	Federal Government of Nigeria
FMM	Financial Management Manual
GOM	Governance and Operations Manual
ICT	Information and Communications Technology
InvestJigawa	Jigawa State Investment and Promotion Agency
IPSAS	International Public Sector Accounting Standards
CIP	Comprehensive Development Framework
JSMOF	Jigawa State Ministry of Finance
MDB	Multilateral Development Bank
MIS	Management Information System
MDA	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
OAF	Officer Administering the Fund
OAG	Office of the Auditor-General
PAM	PFF Audit Manual
PFF	Project Facilitation Fund
PPP	Public-Private Partnership
PPPC	Jigawa State PPP Committee
PFF-SC	PFF Steering Committee
SCOA	Standard Chart of Accounts
SPV	Special Purpose Vehicle
TA	Transaction Advisor
TSA	Treasury Single Account
VFM	Value for Money
VGf	Viability Gap Funding
WB	World Bank

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DEFINITION OF TERMS

Availability Payment Periodic payments made by a CA to a private partner under a PPP agreement, contingent on the infrastructure or service being available and meeting agreed specifications.

Budget Circular A directive issued by JSMOF to MDAs detailing guidelines, formats, and timelines for preparing the annual budget.

Build-Operate-and-Transfer (BOOT): A model in which the private party designs, constructs, finances, operates, and maintains an infrastructure facility owned by the private party for a specified period (not exceeding 30 years unless otherwise agreed), after which the facility is transferred to the public authority.

Build-Operate-Transfer (BOT): A PPP model where the private party finances, constructs, operates, and maintains an infrastructure facility, and transfers it to the contracting authority at the end of a specified term.

Build-Own-Operate (BOO): A PPP arrangement where the private party designs, finances, constructs, operates, and maintains the infrastructure facility and provides services for a specified period without transferring ownership.

Business Plan Refers to the approved PFF Business Plan outlining strategic priorities, investment focus, and operational targets.

Commercial Close The formal signing of the Project Agreement between the CA and the selected Private Partner.

Concession Agreement: A formal agreement between the government and a private entity for the construction, operation, or management of public infrastructure or services. This includes models such as DBOT, BOOT, ROT, JDA, and O&M.

Concessionaire: The individual or organization that enters into a concession agreement with the government under a PPP arrangement.

Contingent Liability A financial obligation that may arise from a future uncertain event, such as termination payments under a PPP agreement due to state default.

Contracting Authority (CA) Any MDA or Local Government responsible for initiating, procuring, and managing PPP projects.

Designated Funds Unrestricted funds earmarked by the PPPC or PFF-SC for specific uses, without legal commitment.

Development Partner (DP) Bilateral or multilateral institutions providing financial or technical assistance to the PFF.

Eligibility The condition under which entities qualify to receive PFF support, as defined in the PFF Guidelines.

Feasibility Study A comprehensive assessment of a proposed PPP project's technical, financial, legal, environmental, and social viability.

Financial Close The execution of financing agreements between the Private Partner and financiers, enabling project implementation.

Financing Agreement A formal agreement between the PFF and a Development Partner regarding financial support to the Fund.

Fiscal Commitments Direct financial obligations undertaken by the State in support of PPP projects, including capital grants and availability payments.

Funding Agreement A binding agreement between the PFF and a beneficiary, outlining terms for disbursement and use of funds.

Manual Refers to the Jigawa State PFF Governance and Operations Manual.

Officer Administering the Fund (OAF) The designated official responsible for managing the PFF, typically the Managing Director of InvestJigawa or a senior official from JSMOF.

PPP Arrangements: Various models of PPPs such as DBOT, BOOT, ROT, JDA, O&M, DBFOM, BLT, BTO, DOT, and others.

PPP Manual and Policy: A set of guidelines, procedures, and regulations developed to implement the provisions of the InvestJigawa Law for executing PPP projects in the state

Private Partner An entity contracted by a CA to develop, operate, or manage a PPP project under a formal agreement.

Project Agreement The contract between a CA and a Private Partner, including all annexes and related agreements.

Project Agreement: A contractual arrangement between the government and a selected private participant for the execution of a PPP project. This may include concessions, leases, management contracts, technical assistance, consulting services, and regulatory agreements.

Project Any infrastructure or service initiative undertaken through PPP, including new developments or upgrades of existing assets.

Public Infrastructure: Facilities and services intended for public use, including roads, bridges, rail lines, water systems, housing, power stations, hospitals, parks, motor parks, and waste disposal facilities.

Public-Private Partnership (PPP): A contractual arrangement where a private party provides a public asset or service, assumes significant risk and management responsibility, and is compensated based on performance.

Restricted Funds Funds issued to the PFF with legal obligations to be used for a specific purpose.

Special Purpose Vehicle (SPV) A legally registered entity created solely to implement a PPP project, separate from its parent companies.

Support Window A category of financial support offered by the PFF, such as project preparation, institutional strengthening, VGF, or contingent liability coverage.

Transaction Advisor (TA) A qualified consultant appointed to assist a CA in structuring, procuring, and closing a PPP project.

Unrestricted Funds Funds provided to the PFF for general use, subject to strategic discretion by the PPPC or PFF-SC.

1 INTRODUCTION

1.1 Purpose and Scope of the Manual

The Governance and Operations Manual (the "Manual") for the Jigawa State Project Facilitation Fund (PFF) serves as the constitutive and authoritative charter governing all aspects of the Fund's existence and operations. Its primary purpose is to institutionalize a robust, transparent, and accountable framework that ensures the PFF fulfills its strategic mandate as a catalyst for Public-Private Partnership (PPP) development within Jigawa State. This document transcends a mere procedural guide; it is the bedrock upon which fiduciary trust, operational integrity, and developmental impact are built.

The scope of this Manual is deliberately comprehensive and all-encompassing. It defines the entire ecosystem of the PFF, addressing both *governance* the high-level structures, decision-making authorities, and strategic oversight and *operations* the detailed, day-to-day processes that translate strategy into action. Specifically, the Manual meticulously details:

- 1) **Governance Architecture:** The formal structure of committees, their composition, precise roles, responsibilities, reporting lines, and decision-making protocols to prevent ambiguity and ensure cohesive leadership.
- 2) **Financial Administration:** The complete lifecycle of fund management, from the mobilization and sourcing of capital through to allocation, disbursement, accounting, treasury management, and comprehensive financial reporting, ensuring every Naira is tracked and accounted for.
- 3) **Project Cycle Management:** The end-to-end process for projects seeking PFF support, including application eligibility, rigorous assessment criteria, due diligence methodologies, approval mechanisms, and the ongoing monitoring of funded projects.
- 4) **Procurement and Contract Integrity:** The mandated procedures for procuring goods, services, and consultants using PFF resources, emphasizing competition, value for money, and the subsequent management of contracts to safeguard the Fund's interests.
- 5) **Performance and Accountability Regimes:** The framework for defining success through Main Performance Indicators (KPIs), continuous monitoring and evaluation (M&E), and systematic reporting to stakeholders, ensuring the Fund is results-oriented.
- 6) **Management Information Systems (MIS):** The digital infrastructure required to support transparent workflows, secure data management, efficient application processing, and real-time reporting, minimizing administrative discretion and enhancing accessibility.
- 7) **Ethical and Control Frameworks:** The foundational principles of ethical conduct, anti-corruption measures, whistleblowing protections, and audit mechanisms that collectively create a culture of integrity and robust internal control.

This Manual is intentionally designed to ensure full compliance with the Jigawa State PPP Law (2022) and all attendant regulations, as well as to meet the stringent fiduciary standards and covenant requirements of its financial partners, including Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs). It integrates the Fund seamlessly into the state's public financial management system while providing the flexibility needed for effective PPP project facilitation.

Furthermore, the Manual is supported by two essential, specialized subsidiary documents, which are incorporated by reference:

- 1) **The PFF Financial Management Manual (FMM):** This companion document provides granular, step-by-step procedures for all financial activities, including budgeting, commitment controls,

payment processing, reconciliation, and financial statement preparation, ensuring adherence to International Public Sector Accounting Standards (IPSAS).

- 2) **The PFF Audit Manual (PAM):** This manual establishes the mandatory framework for the independent internal and external audit of the PFF, detailing audit planning, execution, reporting, and follow-up processes to provide objective assurance on the effectiveness of governance, risk management, and controls.

The development of this Manual is not an academic exercise but a direct implementation of a main strategic directive from the PFF Business Plan. The Business Plan identified the absence of standardized protocols as an essential risk to the Fund's effectiveness and credibility. Consequently, this Manual is the operationalization of that plan, transforming strategic vision into executable, rule-based practice. Its core objective is to provide unambiguous guidance to all stakeholders, thereby:

- 1) Establishing a transparent governance structure with clearly demarcated roles and responsibilities, eliminating conflicts and gaps in oversight.
- 2) Standardizing internal control mechanisms and operational processes across the entire PFF portfolio, ensuring consistency, predictability, and fairness.
- 3) Ensuring Compliance with the complex web of Jigawa State regulations, national laws, and the specific agreements with development partners.
- 4) Facilitating Engagement with MDBs, DFIs, and private investors by demonstrating a credible, institutionalized, and professionally managed fund that meets international best practice standards.
- 5) Empowering Stakeholders by providing Contracting Authorities (CAs) and the PPP Unit with a clear roadmap for accessing PFF support, and enabling auditors and evaluators to assess performance against established benchmarks.

1.2 Objectives of the Manual

The Manual is planned to achieve a set of interconnected, high-level objectives that collectively ensure the PFF operates as an effective, credible, and sustainable institution. These objectives are both defensive (safeguarding resources) and offensive (enabling impact).

1.2.1 To Provide Unambiguous Governance Clarity and Ensure Accountability

The primary objective is to eliminate ambiguity in the governance of the PFF. By precisely defining the composition, authority, and interdependencies of the PPP Committee (PPPC), the PFF Steering Committee (PFF-SC), the Officer Administering the Fund (OAF), and the PFF Secretariat, the Manual creates a clear chain of command and accountability. It stipulates decision-making thresholds, meeting protocols, and reporting requirements, ensuring that no entity operates outside its delegated authority. This clarity is fundamental for holding individuals and committees accountable for their stewardship of public and partner funds.

1.2.2 To Standardize Operations and Ensure Consistency and Predictability

A main objective is to move from ad-hoc, project-specific decisions to a standardized, rules-based operational model. The Manual provides detailed, step-by-step procedures for every essential process from how a CA submits an application to how a disbursement is approved and how a procurement is conducted. This standardization ensures that all eligible entities are treated equally under the same set of rules, promoting fairness and predictability. It also enhances operational efficiency by creating repeatable processes, reducing transaction costs and time delays for all parties involved.

1.2.3 To Embed Robust Risk Management and Internal Controls

The Manual is designed to proactively identify, assess, and mitigate the myriad risks facing the PFF, including fiduciary risk, project failure risk, reputational risk, and fraud risk. It establishes the control frameworks such as segregation of duties, mandatory approvals, audit trails, and independent verification that must be embedded in every process. By making robust internal controls a non-negotiable requirement, the Manual seeks to protect the Fund's assets from misuse, error, and corruption, thereby safeguarding the state's financial resources and the interests of its development partners.

1.2.4 To Ensure Strict Regulatory and Fiduciary Compliance

A core objective is to ensure the PFF's activities are legally sound and fiduciarily pristine. The Manual explicitly anchors all operations in the Jigawa State PPP Law (2022) and other relevant state financial regulations. It also provides the mechanisms to ensure compliance with the specific conditions attached to funding from development partners. This objective is met through dedicated sections on audit, financial management, and ethical conduct, as well as by mandating that all contracts and agreements undergo rigorous legal and financial review.

1.2.5 To Facilitate Effective Performance Management and Learning

The Manual establishes the framework for measuring the PFF's success beyond mere financial disbursement. It mandates the development of a Results Framework with clear KPIs tied to the Fund's strategic objectives. Procedures for monitoring, evaluation, and reporting are detailed, requiring the PFF to regularly assess its own effectiveness, the performance of funded projects, and its contribution to the state's broader PPP pipeline development. This objective ensures the PFF is a learning institution, capable of adapting its strategies based on evidence and experience.

1.2.6 To Enhance Transparency and Stakeholder Confidence

Formalizing and publishing its governance rules and operational procedures, the Manual inherently promotes transparency. It provides all stakeholders from government bodies and development partners to private bidders and civil society with a clear understanding of how the PFF works. This transparency is essential for building and maintaining the confidence of financiers, attracting qualified private sector participants, and ensuring public trust in the management of significant state resources dedicated to infrastructure development.

1.3 Usage of the Manual

This Manual is a practical working document designed for active use by a defined set of stakeholders. Each user group has distinct responsibilities and will interact with different sections of the Manual to fulfill their roles effectively.

1.3.1 The PPP Committee (PPPC) and its Sub-Committees (e.g., Audit and Risk)

- **Primary Usage:** As the apex governing body, the PPPC will use the Manual as its rulebook for strategic oversight. Members will rely on Sections 2 (Governance) to understand their powers and duties, Section 6 (Performance Management) to review KPI reports, and Section 10/11 (Audit and Financial Management) to discharge their fiduciary responsibilities. The Manual authorizes their decisions and provides the criteria for approving policies, budgets, and major funding allocations.
- **Sub-committees**, like the Audit and Risk Sub-Committee, will intensively use Section 9 (Ethical Conduct) and the Audit Manual to guide their oversight of internal controls, risk management, and investigation processes.

1.3.2 The Officer Administering the Fund (OAF) and PFF Secretariat

- **Primary Usage:** This is the core operational team for whom the Manual is an essential daily reference. The OAF will use it to validate their authority, guide their reporting to the PPPC and PFF-SC, and manage the Secretariat.
- The **PFF Secretariat** (Fund Manager, Accountant, Procurement Officer) will execute virtually all sections. They will apply Section 4 (Project Application) to process requests, Section 3 (Fund Flow) to manage disbursements, Section 5 (Procurement) to conduct tenders, and Section 7 (MIS) to maintain systems. For them, the Manual is the definitive source of procedural truth.

1.3.3 The InvestJigawa PPP Unit

- **Primary Usage:** As an essential support unit, the PPP Unit will use the Manual to understand its role in the PFF ecosystem (Section 2). It will refer to the Manual to align its project pipeline development with PFF eligibility criteria (Section 1.2) and to coordinate its technical advisory, M&E, and legal support functions with the Secretariat's workflows.

1.3.4 Contracting Authorities (CAs) – MDAs and Local Governments

- **Primary Usage:** CAs are the primary applicants and beneficiaries of PFF support. They must use the Manual as a guidebook for accessing the Fund. Section 1.2 clarifies what projects and costs are eligible. Section 4 provides the essential, step-by-step instructions for preparing and submitting a compliant funding application, including required documentation and milestones. Section 3 outlines their financial reporting obligations post-disbursement.

1.3.5 Development Partners and Other Financiers

- **Primary Usage:** For MDBs, DFIs, and other funders, the Manual serves as a main assurance document. It demonstrates that the PFF has a governance and control framework that meets international standards. Partners will review the entire Manual to assess the Fund's credibility but will pay particular attention to Sections 2 (Governance), 9-11 (Audit, Ethics, Financial Management), and 6 (Performance Reporting) to verify that their funds will be managed with due diligence and that robust safeguards are in place.

1.3.6 Internal and External Auditors and Evaluators

- **Primary Usage:** Auditors (both the Office of the Auditor-General and internal auditors) will use the Manual as the benchmark against which they assess compliance. The Audit Manual (Section 10) provides their direct terms of reference, while the main Manual defines the policies and procedures they are testing for adherence. Independent evaluators will use the Results Framework in Section 6 to assess the Fund's development impact and effectiveness.

1.4 Structure of the Manual

This Manual is systematically organized into thirteen sequenced sections, progressing logically from foundational principles to detailed operational protocols and concluding with administrative appendices. This structure is designed to facilitate both linear reading for comprehensive understanding and targeted referencing for specific operational needs.

→ SECTION 1: INTRODUCTION

Establishes the Manual's purpose, scope, intended use, and overarching objectives for the PFF's operational guidelines. It provides the essential context for all subsequent sections.

→ SECTION 2: FUND OVERVIEW

Defines the PFF's core objectives, primary functions, funding sources (State appropriations, Development Partners, recoveries), criteria for eligible projects/activities, the eligible Contracting Entities, and explicit exclusions from financial support.

- **SECTION 3: FUND GOVERNANCE ARRANGEMENTS**
Details the organizational blueprint and reporting matrix of the PFF. It specifies the roles, composition, decision-making authority, and interaction protocols for the PPP Committee (PPPC), the Officer Administering the Fund (OAF), and the executing PFF Secretariat.
- **SECTION 4: FLOW OF FUNDS**
Maps the financial circulatory system of the PFF. It specifies the Fund's bank accounts (ensuring TSA compliance), details the sources of financial inflows (e.g., State budget, Development Partner funds, advance recoveries), and outlines the regulated procedures for financial outflows and disbursements.
- **SECTION 5: OPERATIONS OF THE FUND**
Outlines the core operational process: from strategic business planning and defining the Financing Policy and the four Funding Windows, through the management of funding applications, technical assessment, execution of the legally binding Funding Agreement, and verified disbursement tracking.
- **SECTION 6: PROCUREMENT AND CONTRACT MANAGEMENT**
Mandates the principles (VFM, transparency, competition) and framework for all PFF-funded procurement, especially the mandatory Quality and Cost-Based Selection (QCBS) for specialized consultants and Transaction Advisors (TAs), and covers contract administration, monitoring, and required record-keeping.
- **SECTION 7: AUDIT AND INTERNAL CONTROL**
Establishes the fiduciary control structure, including the mandatory Internal Control Framework (ICF), the roles of Internal and External Audit, strict protocols for responding to fraud and misuse, and the necessary process for institutional learning and continuous improvement.
- **SECTION 8: ANTI-FRAUD, CORRUPTION, AND SAFEGUARD MEASURES**
Articulates the Zero-Tolerance Anti-Corruption Policy, mandates adherence to rigorous Environmental and Social (E&S) Safeguards, and defines the binding Anti-Fraud, Corruption and Safeguards Charter and the specific institutional responsibilities for enforcement and reporting malpractice.
- **SECTION 9: DURATION AND WINDING UP OF THE FUND**
Stipulates the intended permanence, the mandatory five-year statutory review cycle, the specific conditions under which the PFF may be dissolved, and the required procedures for settling all outstanding financial and legal commitments and ensuring institutional transition.
- **SECTION 10: FUND PERFORMANCE MANAGEMENT FRAMEWORK**
Defines the framework for measuring the PFF's success based on four Main Performance Areas (KPA) and quantifiable indicators (KPIs). It sets the mandatory monitoring and reporting cycle (quarterly/annually), and ensures data integration with State-level fiscal and planning systems.

2 FUND OVERVIEW

This section provides a comprehensive overview of the Jigawa State Project Facilitation Fund (PFF), detailing its core purpose, operational functions, financial sources, and eligibility criteria. The PFF is established as a strategic financial instrument designed to overcome main barriers in the Public-Private Partnership (PPP) project lifecycle, thereby accelerating the development of essential infrastructure and services in Jigawa State.

2.1 Objective of the Fund

The primary objective of the Jigawa State Project Facilitation Fund (PFF) is to catalyze the development and implementation of essential infrastructure and service delivery projects through Public-Private Partnerships (PPPs). It achieves this by providing targeted financial support to mitigate project risks, enhance bankability, and attract private sector investment.

This overarching objective is accomplished through two specific sub-objectives:

- 1) To mobilize and deploy financial resources efficiently to address funding gaps across the entire PPP project lifecycle, from initial preparation to financial close.
- 2) To enhance the institutional capacity and operational effectiveness of the PPP ecosystem within Jigawa State, ensuring a robust and sustainable pipeline of viable, well-structured projects.

2.2 Functions of the Fund

The PFF delivers its mandate through four distinct, purpose-built support windows. Each window is designed to address a specific stage or risk factor in the PPP lifecycle, as detailed in the table below.

Table 2.1: PFF Support Windows and Functions

SUPPORT WINDOW	PRIMARY FUNCTION	MAIN ACTIVITIES / FUNDING AREAS	SPECIFIC CONDITIONS
Window 1: Support to Contracting Authorities' Project Preparatory Costs	To finance early-stage development costs that are often prohibitive for MDAs.	<ul style="list-style-type: none"> • Land acquisition, compensation, resettlement, and environmental/social impact assessments. • Feasibility studies (technical, financial, legal, environmental). • Transaction advisory services for financial modeling, contract structuring, and procurement. 	<ul style="list-style-type: none"> • Typically provided as a recoverable advance to the CA. • Repayment is often structured from the successful bidder's premium or upon project financial close. • Requires prior written approval from the PFF Steering Committee for non-listed activities.
Window 2: Support to the PFF Secretariat and Institutional Strengthening	To build and sustain the core capacity of the PPP Unit and PFF Secretariat for effective fund management.	<ul style="list-style-type: none"> • Technical consultancy and advisory services. • Capacity building programs for government stakeholders. • Procurement of specialized office equipment, software, and Management Information Systems (MIS). • Essential recurrent operational costs. 	<ul style="list-style-type: none"> • All activities and costs must be included in the PFF's annual budget, approved by the PFF Steering Committee. • Expenditure must align with the strategic capacity-building plan of the Jigawa PPP Unit.
Window 3: Provision of Viability Gap Funding (VGF)	To enhance the financial viability of PPP projects where user revenues are insufficient to cover costs.	<ul style="list-style-type: none"> • Capital Grant: For a portion of construction or capital expenditure. • Operational Grant/Availability Payment: To subsidize operational costs or payments for service-ready assets. • Output-Based Aid: Payments linked to verified service delivery outputs. 	<ul style="list-style-type: none"> • Contingent upon a demonstrable Value for Money (VfM) assessment. • Only provided to projects selected through a competitive bidding process. • Support structures are advised by the OAF and PPP Unit.

Window 4: Provision of Contingent Liability Support	To provide a source of liquidity for legitimate payment obligations arising from State default under a PPP agreement.	<ul style="list-style-type: none"> • Settlement of materialized contingent liabilities (e.g., termination payments due to verified State default). 	<ul style="list-style-type: none"> • Not available for liabilities already budgeted for or arising from CA default. • Liabilities from CA default remain the CA's responsibility; exceptional recourse to a <i>recoverable advance</i> may be possible with stringent PFF-SC approval. • Acts as a ring-fenced financial backstop.
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2.3 Sources of Funds

The PFF is capitalized through a diversified and sustainable multi-source approach to ensure its longevity and effectiveness. The fund will draw financial resources from the following streams:

- 1) **State Budget Allocations:** Annual appropriations from the Jigawa State Government, as approved by the Ministry of Finance and the State House of Assembly.
- 2) **Development Partner (DP) Contributions:** Grants, concessional loans, and technical assistance from Multilateral Development Banks (e.g., World Bank, African Development Bank) and bilateral institutions.
- 3) **Project-Derived Revenues:** Includes success fees or a share of upfront premiums from successful PPP project bidders, and any levies/fees applied to projects as permitted by law.
- 4) **Recoveries:** Repayment of recoverable advances and contingent liability deposits from Contracting Authorities.
- 5) **Other Sources:** Any other contributions as may be approved by the Jigawa State Executive Council upon the recommendation of the Ministry of Finance.

2.4 Eligible Projects and Activities

The PFF is designed to support a wide array of infrastructure and service sectors aligned with Jigawa State's development priorities.

Eligible Sectors Include:

- 1) Agriculture and Agro-Processing
- 2) Water and Irrigation
- 3) Healthcare
- 4) Education
- 5) Energy
- 6) Transportation
- 7) And other sectors as prioritized by the State Government.

Core Eligibility Criterion:

A project must be formally listed on the Jigawa State PPP Project Pipeline, which is maintained and updated by the Jigawa PPP Unit. Support is strictly subject to the categories and conditions defined under the four support windows (see Table 2.1).

2.5 Eligible Entities for Funding

Financial support from the PFF is directed to two primary categories of eligible entities, corresponding to the support windows:

- 1) **Contracting Authorities (CAs):** Any Ministry, Department, Agency (MDA), or Local Government Area that is legally responsible for initiating, procuring, and managing PPP projects. CAs are the primary beneficiaries for Windows 1, 3, and 4.

- 2) **The PFF Secretariat and Jigawa PPP Unit:** The institutional structure housed within InvestJigawa responsible for the day-to-day administration and capacity building of the PPP ecosystem. This entity is the beneficiary for Window 2.

For Window 3 (VGF), funding is typically channeled through a tripartite agreement involving the PFF, the CA, and the project's **Special Purpose Vehicle (SPV)**/Private Partner.

2.6 Exclusions from Funding

To maintain strategic focus, fiscal prudence, and integrity, the PFF explicitly excludes support for the following:

Table 2.2: Activities Excluded from PFF Funding

EXCLUSION CATEGORY	DESCRIPTION and RATIONALE
Retroactive Funding	Costs related to projects that achieved financial close prior to the operationalization of the PFF.
Non-Competitive VGF	Viability Gap Funding for projects realized through Unsolicited Proposals, unless they have successfully undergone a competitive Swiss Challenge process as defined by State regulations.
Ineligible Cost Categories	<ul style="list-style-type: none"> • Recurrent personnel costs of CAs not directly involved in the PPP project team. • Any activity or cost that violates State procurement, financial, or anti-corruption laws.
CA Default Liabilities	Contingent liabilities that arise primarily from a default by the Contracting Authority , as these remain the CA's fiscal responsibility.

3 FUND GOVERNANCE ARRANGEMENTS

3.1 Fund Management Committee

The strategic direction and high-level oversight of the PFF reside primarily with the Jigawa State PPP Committee (PPPC), which functions as the Fund's highest governing body. The PPPC is chaired by the Commissioner of Finance, reinforcing the essential link between the PFF's financial health and the state's broader fiscal management strategy. The Committee ensures that the PFF's operations are maximized for developmental impact and remain strictly aligned with its mandate and the strategic priorities articulated in the Jigawa State Comprehensive Development Framework (CIP).

3.1.1 Roles and Responsibilities of the Jigawa State PPP Committee (PPPC)

The PPPC carries the ultimate responsibility for the PFF's strategic direction and high-level governance. Its functions are fundamentally strategic and policy-oriented, designed to safeguard the integrity of the Fund and ensure its operational effectiveness.

Main responsibilities include, but are not limited to:

- 1) **Strategic and Policy Approval:** Bearing overall responsibility for the strategic direction and high-level oversight of the PFF, the PPPC must approve the Fund's overarching policy framework, including the formal adoption of the Governance and Operations Manual and any subsequent amendments.
- 2) **Budgetary and Financial Oversight:** The PPPC is responsible for the formal approval of the annual budget for the PFF Secretariat and all institutional strengthening activities under Window 2. Furthermore, the Committee approves allocations from the PFF, ensuring they are strictly in line with the State's strategic priorities for infrastructure and service delivery.
- 3) **Project Approval and Due Diligence:** The PPPC reviews and grants final approval for high-value funding applications and complex financing agreements, according to delegated thresholds. It also formally approves the comprehensive evaluation and selection criteria used for assessing project proposals submitted for PFF funding.
- 4) **Reporting and Accountability:** The Committee undertakes the formal adoption of the PFF's annual financial and non-financial performance reports, which are then transmitted to the Governor and other relevant State authorities. This function ensures robust accountability to the State Government and the general public.
- 5) **Legal and Compliance Custody:** The PPPC holds the power to take custody of all PFF Funding Agreements and to meticulously monitor compliance with their stipulated terms and conditions. This ensures contractual obligations are met by all parties involved.

3.1.2 The PFF Steering Committee (PFF-SC)

The PFF-SC operates as a standing sub-committee of the PPPC, providing detailed technical and operational guidance to the PPPC. Its role is predominantly focused on the detailed implementation and management execution of the PFF's strategy, ensuring efficient and impact-focused deployment of resources.

The core responsibilities of the PFF-SC include:

- 1) **Work Plan and Budget Review:** Conducting a detailed technical and financial review of the PFF's annual work plan and budget, and providing formal recommendations to the PPPC for final approval.

- 2) **Funding Application Scrutiny:** Executing the technical and financial review of all applications for funding and their corresponding Funding Agreements, acting as the essential due diligence layer before high-value applications proceed to the PPPC.
- 3) **Project Monitoring:** Monitoring the physical and financial implementation of PPP projects funded by the PFF and tracking the realization of projected developmental and economic benefits.
- 4) **Resource and Financial Management:** Leading and coordinating active resource mobilization efforts from various Development Partners (DPs) and other sources. The PFF-SC is also responsible for reviewing and approving the investment strategy for any surplus funds held by the PFF to ensure their prudential management and growth.

3.1.3 The Audit and Risk Sub-Committee

The Audit and Risk Sub-Committee is established by the PPPC to maintain the integrity of the PFF's internal controls and financial processes. Its mandate is centered on ensuring that PFF resources are utilized solely for their intended purposes, protected from misuse, and that all operations comply with stringent regulatory and policy requirements.

Primary functions include:

- **Internal Control Oversight:** Providing strict oversight of the PFF's internal control framework and continuously evaluating its effectiveness in safeguarding assets and preventing fraud.
- **Risk Management:** Evaluating the PFF's overall risk appetite and ensuring a robust enterprise risk management system is in place and actively implemented.
- **Policy and Efficiency Evaluation:** Periodically evaluating the efficacy of PFF policies and procedures to ensure they consistently yield the desired outcomes and optimal operational efficiency.
- **Compliance and Audit Review:** Ensuring the PFF's full compliance with all State regulatory requirements and all Development Partner covenants. Essentially, this sub-committee is responsible for reviewing internal and external audit reports, management letters, and recommending concrete corrective actions to the PPPC and the PFF Secretariat.

Table 3.1: Main Governance Committees and Core Functions

COMMITTEE	PRIMARY ROLE	CORE FUNCTIONS	REPORTING LINE
Jigawa State PPP Committee (PPPC)	Ultimate Strategic Oversight and Policy Approval	<ul style="list-style-type: none"> • Sets PFF strategic direction and approves manual/business plan. • Final approval of high-value funding and financing agreements. • Approves PFF annual budget. • Adopts annual performance reports. 	State Executive Council / Governor
PFF Steering Committee (PFF-SC)	Operational and Technical Oversight	<ul style="list-style-type: none"> • Detailed review of funding applications and financing agreements. • Recommends work plan and budget to PPPC. • Monitors project implementation and portfolio performance. • Leads resource mobilization and approves investment strategy. 	Jigawa State PPP Committee (PPPC)
Audit and Risk Sub-Committee	Fiduciary Assurance and Risk Governance	<ul style="list-style-type: none"> • Reviews internal controls and compliance. • Evaluates risk management framework. • Examines audit reports and recommends corrective actions. • Oversees anti-fraud/corruption measures. 	PFF Steering Committee / PPPC

3.2 Officer Administering the Fund (OAF)

The Officer Administering the Fund (OAF) is the principal operational authority and legal representative of the PFF. This role is designated to the Managing Director of InvestJigawa, leveraging the agency's investment promotion expertise, institutional capacity, and stakeholder networks. The OAF is the single point of accountability for the day-to-day stewardship and administration of the Fund, acting as the bridge between the strategic committees (PPPC/PFF-SC) and the operational Secretariat.

3.2.1 Main Roles and Responsibilities:

- 1) **Secretariat to Governance Committees:** Serves as the technical advisor and secretariat to the PPPC and PFF-SC on all PFF matters, preparing agendas, minutes, and documentation for committee deliberations.
- 2) **Head of PFF Secretariat:** Acts as the head of the PFF Secretariat, providing leadership and direction to its staff and overall administration of the Fund's resources.
- 3) **Strategic Financial Advisor:** Provides strategic advice to the PPPC on the PFF's financial health, sustainability, and long-term capital requirements.
- 4) **Primary Reporting Officer:** Bears responsibility for the comprehensive and timely submission of all financial and non-financial reports to the PPPC, PFF-SC, Jigawa State Ministry of Finance (JSMoF), and Development Partners.
- 5) **Chief Resource Mobilization Officer:** Leads high-level engagements and negotiations with Development Partners, multilateral institutions, and other financiers to secure funding for the PFF.
- 6) **Ultimate Fiduciary Steward:** Holds ultimate day-to-day fiduciary responsibility for the PFF, ensuring all funds are used for their intended purposes and in compliance with all agreements and regulations. The OAF is the primary point of contact for auditors.

3.2.2 Authority and Delegation:

The OAF operates within a formal delegation of authority matrix approved by the PPPC. This matrix specifies financial and contractual approval limits. The OAF may delegate specific operational tasks to the Fund Manager and other senior Secretariat staff but retains overall accountability. Main authorities typically include:

- 1) Approval of disbursement requests within predefined thresholds.
- 2) Execution of Funding Agreements with Contracting Authorities and Financing Agreements with Development Partners (upon PPPC approval).
- 3) Authorization of operational expenditures for the PFF Secretariat in line with the approved budget.

3.3 PFF Secretariat

The PFF Secretariat is the dedicated operational and administrative engine of the Fund. It is established to provide comprehensive technical, financial, and managerial support to the OAF in executing the PFF's mandate. The Secretariat is primarily staffed by dedicated personnel from InvestJigawa, augmented by secondees from other relevant MDAs (e.g., Finance, Justice, Budget and Economic Planning) to ensure cross-governmental expertise.

3.3.1 Structure and Core Functions:

The Secretariat is organized into functional units, often headed by a Fund Manager who oversees daily operations. Its core functions are multidisciplinary, covering the entire project and fund cycle.

Table 3.2: Core Functions of the PFF Secretariat

FUNCTION	MAIN RESPONSIBILITIES
Funding Application Management	<ul style="list-style-type: none"> • Issues guidelines and application forms. • Conducts initial screening and due diligence on all applications.

	<ul style="list-style-type: none"> • Coordinates the technical/financial evaluation process. • Reviews and verifies disbursement requests against milestones.
Financial Management	<ul style="list-style-type: none"> • Undertakes financial planning, budgeting, and cash flow forecasting. • Manages treasury, processes disbursements, and maintains accounting records per IPSAS. • Executes approved investment strategies for surplus funds. • Prepares monthly, quarterly, and annual financial reports.
Contract Management	<ul style="list-style-type: none"> • Drafts and manages Funding Agreements with CAs and tripartite VGF agreements. • Oversees compliance with Financing Agreements from DPs. • Manages the contract portfolio to ensure all parties meet obligations.
Procurement	<ul style="list-style-type: none"> • Implements the PFF's annual procurement plan. • Procures goods/services for Secretariat operations. • Manages procurement of Transaction Advisors on behalf of CAs, ensuring VfM.
Risk Management and Compliance	<ul style="list-style-type: none"> • Implements and monitors the PFF's risk management framework. • Ensures regulatory and policy compliance across all activities.
Monitoring, Evaluation and Learning (MEL)	<ul style="list-style-type: none"> • Monitors PFF performance against its Results Framework. • Conducts post-disbursement monitoring and impact evaluations. • Facilitates knowledge management and organizational learning.
Information and Communications Technology (ICT)	<ul style="list-style-type: none"> • Manages the PFF's dedicated Management Information System (MIS). • Maintains the PFF portal on the InvestJigawa website. • Curates the knowledge management platform.

3.3.2 Role of InvestJigawa as Host Agency

InvestJigawa, as the host agency for the Secretariat, provides essential institutional support services, creating efficiencies and leveraging existing capacity. This support is governed by a formal agreement and includes:

- 1) **Legal Services:** Drafting and vetting of agreements, regulatory compliance advice, and dispute management support.
- 2) **Internal Audit Facilitation:** Providing or facilitating access to internal audit services to strengthen the control environment.
- 3) **ICT Infrastructure:** Hosting and providing technical support for the PFF's MIS and digital platforms.
- 4) **Economics and Planning:** Providing technical input for business plan reviews and economic analysis of investments.
- 5) **Resource Mobilization Support:** Leveraging its networks to support the development of pitch materials and high-level engagement with investors.

3.3.3 Integration and Reporting Lines

The PFF Secretariat operates under the direct supervision of the OAF. It is the operational interface with Contracting Authorities, Development Partners, service providers, and the public. The Secretariat consolidates all monitoring data, financial information, and project reports, synthesizing them into structured reports for the OAF, who then presents them to the PFF-SC and PPPC. This clear line of authority from operational implementation by the Secretariat, through management by the OAF, to oversight by the Committees creates a cohesive and accountable governance chain essential for the Fund's credibility and success.

4 FLOW OF FUNDS

4.1 Fund Bank Accounts

The Project Facilitation Fund operates a multi-tiered banking arrangement specifically designed to segregate funds by source and intended use, ensuring compliance, transparency, and optimal liquidity management. This architecture must be established in strict adherence to the overall financial management policy of the Jigawa State Government, including compliance with the Treasury Single Account (TSA) system, where applicable, which mandates that all public funds be centralized.

4.1.1 Account Structure and Compliance

The PFF maintains two principal categories of accounts, strategically managed by the PFF Secretariat under the direct oversight of the Officer Administering the Fund (OAF) and the Jigawa State Ministry of Finance (JSMoF):

A. Main PFF Treasury Account (The Central Fund Repository)

This account serves as the primary repository for all major capital inflows, including State appropriations, large-scale loan disbursements from Development Partners (DPs), and significant recoveries.

- **Location and Management:** The PFF Treasury Account is mandated to be held within the consolidated framework of the State's Treasury Single Account (TSA) system, domiciled at the Central Bank of Nigeria (CBN) or a designated commercial bank. This ensures the State Government maintains maximum oversight and control over the bulk of the PFF's capital base.
- **Purpose:** The principal function of this account is capital preservation and large-scale disbursement to the operating account upon formal budgetary releases and allocation approvals. It is not used for day-to-day transaction processing.
- **Signatories and Access:** Access is highly restricted, typically requiring dual authorization involving the Commissioner of Finance (as Chair of the PPPC) and the Officer Administering the Fund (OAF) or a designated Director within the JSMoF.

B. PFF Operational and Transit Accounts

To facilitate efficient day-to-day transactions, particularly the disbursement of funds to projects and the running costs of the Secretariat, a series of sub-accounts may be maintained, subject to formal exemption or approval under the State's TSA guidelines:

- **PFF Operational Account:** This commercial bank account holds a restricted, revolving float for immediate operational expenditures, such as the payment of Secretariat staff costs, utility bills, and approved procurement for institutional strengthening (Window 2). The account balance is subject to a strict ceiling, which is reviewed quarterly by the PFF Steering Committee (PFF-SC).
- **Project-Specific Transit Accounts:** For large and complex PPP projects requiring multi-tranche funding (e.g., VGF disbursements), temporary, project-specific transit accounts may be established. These accounts are strictly for channeling funds to the final beneficiary (the Contracting Authority or the Special Purpose Vehicle/Private Partner) and are closed immediately upon the final disbursement for that specific tranche, thus preventing the accumulation of funds outside the central PFF control.

4.1.2 Financial Governance and Reporting Standards

All PFF bank accounts, irrespective of their location within or outside the TSA framework, must comply with the following standards:

- **Standard Chart of Accounts (SCOA):** All transactions must be meticulously recorded and classified using the National Standard Chart of Accounts (SCOA) to ensure seamless integration and reporting within the State’s overall fiscal management information system (FMIS).
- **Monthly Reconciliation:** The PFF Secretariat is responsible for performing and submitting a comprehensive bank reconciliation statement for all accounts to the JSMoF on a monthly basis.
- **Audit Requirements:** All accounts are subject to mandatory annual external audits by the Office of the Auditor-General (OAG) or a firm designated by the PFF-SC, ensuring compliance with the Fund’s Governance and Operations Manual and International Public Sector Accounting Standards (IPSAS).

4.2 Inflows to the Fund

The sustainability of the PFF relies on a diversified and reliable stream of capital inflows. The PFF is structured as a quasi-revolving fund, designed to replenish its resources through mechanisms other than recurrent State budgets, thereby ensuring its long-term viability. The sources of funding, detailed in the table below, are strictly defined by the State’s PPP Law and are channeled through the dedicated PFF Treasury Account.

Table 4.1: Sources of PFF Capital Inflows and Governance Protocols

CATEGORY	DESCRIPTION OF INFLOW SOURCE	REGULATORY CHANNEL AND GOVERNANCE PROTOCOL
1. State Appropriation	Annual budgetary allocations made by the Jigawa State Government.	Must be approved by the State House of Assembly and formally gazetted in the annual appropriation law. Releases are governed by the State’s fiscal rules.
2. Development Partner (DP) Grants/Loans	Grants, concessional loans, or technical assistance funds from multilateral and bilateral institutions (e.g., World Bank, AfDB, DFID, etc.).	Governed by specific Financing Agreements (FA) or Grant Agreements (GA). All funds must be routed through the Main PFF Treasury Account, with rigorous tracking of <i>ring-fenced</i> or <i>tied</i> funds.
3. Project Repayments/Recoveries	Repayment of reimbursable advances provided to Contracting Authorities (CAs) for project preparation (Window 1). This includes premiums paid by private partners upon project financial close.	Repayment terms are legally stipulated in the Funding Agreement. The PFF Secretariat enforces recovery via direct deposit back into the PFF Treasury Account.
4. Investment Income	Interest, dividends, or returns generated from the prudential investment of temporary surplus funds held in the PFF Treasury Account.	Investment strategy must be formally approved by the PFF Steering Committee (PFF-SC) to ensure risk-aversion and capital preservation.
5. Statutory Fees and Other Sources	Revenue generated from mandated fees, levies, or royalties as determined by State PPP legislation, or proceeds from asset dispositions related to PPP projects.	Funds are tracked via a dedicated revenue code and periodically transferred from the State Consolidated Revenue Fund (CRF) to the PFF Treasury Account.

The inflow process is continuous and subject to periodic reconciliation:

- 1) **State Appropriations:** These inflows are processed quarterly, based on the Ministry of Finance’s (JSMoF) release calendar. The OAF must ensure that the release requests align perfectly with the PPC-approved PFF Annual Work Plan and Budget.
- 2) **Development Partner Funds:** These are typically channeled based on fulfillment of specific conditions precedent to disbursement (CPDs) as stipulated in the Financing Agreements. The PFF Secretariat must certify that these CPDs have been met before requesting drawdown, often involving no-objection clearances from the State Attorney General or the JSMoF.
- 3) **Revolving Mechanism:** The PFF’s unique sustainability model is driven by the prompt and aggressive recovery of its reimbursable advances (Category 3). These recoveries transition the Fund from a mere budgetary expense to a revolving financial instrument, essential for future project funding.

4.3 Outflows from the Fund

Outflows from the PFF are strictly permissible only for eligible projects and activities across the Fund's four defined Support Windows (as detailed in Section 2). Every disbursement is subject to a rigorous, multi-layered approval and verification process to mitigate financial risk and ensure that expenditure is directly tied to verifiable project milestones.

4.3.1 Categories of Outflows and Approval Hierarchy

Outflows are classified into four primary categories, each linked to a specific PFF support window and requiring a corresponding level of internal approval:

A. Project Preparatory Funding (Window 1) and Viability Gap Funding (Window 3)

These are the largest and most complex outflows, covering costs such as Transaction Advisory fees, feasibility studies, land acquisition, and VGF grants.

- 1) **Approval Authority:** Final approval resides with the PPPC for applications exceeding a specified financial threshold, upon the recommendation of the PFF-SC. Lower value disbursements are delegated to the OAF, subject to the PFF-SC's approval of the overall Project Funding Agreement.
- 2) **Verification Protocol:** Disbursements are never made up front. They are exclusively processed against verified, achieved **Disbursement-Linked Indicators (DLIs)** or *milestones*. For VGF, payment is often tied to the private partner's own equity injection or the achievement of commercial operations date (COD). The Secretariat must submit an *Inspection and Verification Report* certifying milestone completion before a payment instruction is issued.

B. PFF Secretariat Operational Costs (Window 2)

These outflows cover the essential institutional strengthening and day-to-day running costs of the PFF Secretariat.

- 1) **Approval Authority:** These expenditures must be explicitly line-itemized and formally approved within the PFF's **Annual Budget** by the PPPC. Specific individual procurements or salary disbursements are approved by the OAF, acting as the Head of the Secretariat, provided the expenditure is within the approved budget limit.
- 2) **Compliance:** All procurement related to Window 2 must adhere strictly to the Jigawa State Public Procurement Law and the Fund's own Procurement Manual.

C. Contingent Liability (CL) Support (Window 4)

This represents the most sensitive and high-risk category of outflow, used to meet pre-agreed financial obligations (e.g., termination payments) arising from State default under a PPP contract.

- 1) **Approval Authority:** CL disbursements require the highest level of scrutiny and must be formally approved by the PPPC following a comprehensive legal and financial risk assessment. In certain cases, ex-post ratification by the State Executive Council may be required.
- 2) **Conditions:** The disbursement is strictly conditional upon the liability being: 1) specified in the PPP agreement, 2) triggered by a verifiable State default event, and 3) not covered by the Contracting Authority's existing budget. The PFF serves as a last-resort fiscal backstop.

Table 4.2: PFF Outflow Categories and Disbursement Requirements

OUTFLOW CATEGORY	PFF SUPPORT WINDOW	APPROVAL BODY	DISBURSEMENT BASIS	CONTROL AND VERIFICATION MECHANISM
Project Advisory Fees	Window 1	PFF-SC / PPPC (above threshold)	Achievement of Milestones/Deliverables	Secretariat-led Technical Verification Report.
Viability Gap Funding (VGF)	Window 3	PPPC	Achievement of Project Commercial Close or COD	Private Partner's Equity Injection Verification Report.
Institutional Support	Window 2	OAF (within PPPC-approved budget)	Operational Expenditure against Budgeted Lines	Internal Controls and adherence to Procurement Law.

Contingent Liability Payouts	Window 4	PPPC (Highest Scrutiny)	Verified State Default leading to Termination	Formal Legal Opinion and Financial Risk Assessment.
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4.3.2 Disbursement Procedure and Control

The disbursement process is highly controlled and follows a fixed protocol:

- 1) **Request Initiation:** The Contracting Authority (CA) or PFF Secretariat submits a formal disbursement request to the OAF/Secretariat, supported by relevant invoices, proof of milestone completion, and a **No-Objection Certificate** from the PFF Secretariat's technical team.
- 2) **Verification and Due Diligence:** The PFF Secretariat conducts mandatory physical and financial verification of the documents and deliverables.
- 3) **Approval:** The request is routed through the necessary approval hierarchy (OAF → PFF-→PPPC) based on its category and value.
- 4) **Payment Instruction:** Upon final approval, the OAF authorizes the JSMoF (or the relevant bank manager) to release funds from the PFF Treasury Account to the beneficiary's account.

5 OPERATIONS OF THE FUND

5.1 Business Planning and Financing Policy

The PFF is established as a quasi-revolving financial instrument, requiring sophisticated and forward-looking financial management to maintain its long-term viability and operational effectiveness throughout its lifecycle. Under the stewardship of InvestJigawa and the overall direction of the Jigawa State PPP Committee (PPPC), the Fund implements robust business planning and proactive resource mobilization strategies to sustain its mission of accelerating bankable PPP projects.

5.1.1 Business Planning

The fundamental operational roadmap for the PFF is articulated within its Strategic Business Plan (SBP). This essential document is not merely an annual budget forecast but a foundational, long-term blueprint for the Fund's strategic growth and sustainability.

A. Strategic Framework and Mandate

The PFF is mandated to develop and maintain a rolling Strategic Business Plan, typically spanning a ten-year horizon, which must be formally endorsed and approved by the PPPC. The SBP serves as the definitive reference point for all major operational and financial decisions made by the Officer Administering the Fund (OAF) and the PFF Steering Committee (PFF-SC).

The Business Plan's core function is to articulate the long-term vision, specific strategic objectives, and measurable goals of the PFF. It details the main initiatives, action plans, and comprehensive financial projections required to achieve the Fund's intended results, aligning its resources with the State's broader infrastructure and service delivery priorities articulated in the Comprehensive Development Framework (CIP). Essentially, the SBP dictates the level of support authorized for identified and prioritized PPP projects, based on the technical and financial feasibility advice provided by the PFF Secretariat.

B. Link to Annual Planning and Budgeting

The SBP provides the essential strategic context for the annual operational cycle. The Fund Manager, under the OAF's supervision, derives a detailed Annual Work Plan from the SBP. This work plan specifies the priorities, main activities, and targeted outputs for the upcoming fiscal year.

The Annual Work Plan, once approved by the PPPC, becomes the direct basis for preparing the PFF's Annual Budget. This methodical link ensures that budgetary allocations for the PFF Secretariat (Window 2) and the financial provisions for Contracting Authorities (CAs) (Windows 1, 3, and 4) are strategic, purpose-driven, and aligned with long-term financial stability rather than simply being a reactive exercise. The annual budget, submitted to the Jigawa State Ministry of Finance (JSMoF), must therefore be strategically aligned with the Fund's objectives as outlined in the Business Plan.

5.1.2 Financing Policy

The PFF's Financing Policy governs the high-level principles for fund capitalization, allocation, and risk management. It is rooted in the objective of maximizing the Fund's developmental impact while ensuring absolute fiscal responsibility.

A. Core Financial Principles

The financing policy is governed by the following strict adherence principles:

- 1) **Revolving Fund Principle:** The PFF is fundamentally designed as a revolving fund, where successful project preparation advances (Window 1) are recovered from the private partner upon Financial Close, and Contingent Liability (CL) payouts are, where possible, recovered from the defaulting CA. This mechanism ensures the Fund's capital is continuously recycled to support new projects, reducing reliance on sustained budgetary appropriations.
- 2) **Prudence and Risk Aversion:** The policy requires that all investment of surplus funds be guided by a strategy formally approved by the PFF-SC, prioritizing capital preservation and liquidity over aggressive financial returns.
- 3) **Maximum Leveraging of Private Capital:** PFF funding, especially Viability Gap Funding (VGF), must be deployed strategically to crowd in the maximum amount of private sector investment, never intended to substitute for bankable project finance. The PFF acts as a catalyst, not a primary financier.

B. Fund Classification and Usage

The Financing Policy defines the specific utilization rules for different sources of capital:

- 1) **Restricted Funds:** These are funds received from a Development Partner (DP) or other financiers with legal covenants limiting their use to a specific support window, project, or category of expenditure, as stipulated in the Financing Agreement (FA). The PFF must maintain a separate sub-ledger for each restricted fund and may, if required by the agreement, operate a dedicated bank account to facilitate tracking and auditing.
- 2) **Unrestricted Funds:** These funds, primarily derived from State appropriations or certain revenue streams, have no predefined conditions from the source and can be strategically allocated across any of the four support windows at the discretion of the PPPC and PFF-SC. The Fund is mandated to actively negotiate with DPs to maximize the proportion of unrestricted funding to ensure operational flexibility.
- 3) **Designated Funds:** These are unrestricted funds that the PPPC or PFF-SC have administratively earmarked for specific future uses, without any external legal commitment. This internal designation aids in strategic planning and budget commitment.

5.3 Funding Windows

The PFF provides financial support through four distinct and clearly defined Support Windows. Each window is meticulously designed to address an essential risk or funding gap at a specific point in the PPP project lifecycle, thereby making projects more viable, bankable, and attractive to private investors.

The beneficiaries of the PFF are clearly delineated: the PFF Secretariat is funded under Window 2, while Contracting Authorities (CAs) and their corresponding Special Purpose Vehicles (SPVs) are the primary recipients under Windows 1, 3, and 4.

Table 5.1: PFF Support Windows, Funding Categories, and Conditions

SUPPORT WINDOW	PRIMARY OBJECTIVE	NATURE OF FUNDING (RECOUPMENT)	MAIN CATEGORIES OF SUPPORT (EXAMPLES)	SPECIFIC FIDUCIARY CONDITION
Window 1: Project Preparatory Costs	To fund essential pre-procurement costs to ensure project bankability and structure.	Typically a Reimbursable Advance .	Transaction Advisory (TA) services; Feasibility Studies (technical, financial, legal); Land acquisition and compensation; Environmental and Social Impact Assessments (ESIA).	Recovery terms are stipulated in the Funding Agreement (FA); repayment usually occurs upon Financial Close from the successful bidder's premium.
Window 2: Institutional Strengthening	To enhance the operational and technical capacity of the PPP ecosystem in Jigawa State.	Grant (Non-Reimbursable).	Training and Capacity Building for CA staff; Development of legal and regulatory frameworks; Procurement of Management Information	Must be explicitly budgeted for in the PPPC-approved PFF Annual Budget.

			Systems (MIS) and ICT infrastructure; Secretariat operational costs.	
Window 3: Viability Gap Funding (VGF)	To bridge the financial gap that makes a project commercially unviable, without which the project cannot attract private finance.	Grant or Credit Enhancement (Non-Reimbursable).	Direct capital grant payments to reduce project debt; Subordinated debt/equity provision; Guarantees for specific risks, subject to full legal and financial due diligence.	Must be the minimum grant necessary to achieve financial closure and must demonstrate maximum leveraging of private capital.
Window 4: Contingent Liability (CL) Backstop	To provide a fiscal backstop for the State's contractual contingent liabilities arising from PPP agreements.	Contingent Guarantee/Reserve (Payments are typically a Recoverable Advance to the CA).	Payments for pre-agreed events of State default, termination payments, or compensation for specific political force majeure events.	Payment is strictly conditional on the liability being materialized and verified; the PFF payment is typically a recoverable advance to the CA, which is obligated to repay in the next budget cycle.

5.4 Management of Funding Applications

The process for managing funding applications is highly formalized and multi-staged, designed to ensure that PFF resources are allocated objectively, transparently, and only to projects that demonstrate high developmental impact and robust technical viability. The application process applies to all CAs seeking support under Windows 1, 3, and 4, and follows a structured sequence: Submission, Screening, Detailed Assessment, and Final Approval.

5.4.1 Eligibility and Documentation

The process begins with the establishment of eligibility. Only a formally recognized Contracting Authority (CA) any Ministries, Departments, and Agencies (MDAs) or Local Government responsible for initiating and managing PPP projects is eligible to submit an application.

A. Required Documentation

The CA must submit a comprehensive application package to the PFF Secretariat, detailing the project, its alignment with the CIP, and its financing needs. The required supporting documentation is tailored to the specific funding window being sought, reflecting the level of project maturity and risk profile:

- 1) **Window 1 (Project Preparatory Costs):** Documentation focuses on the initial project concept and feasibility, requiring proof of technical viability, detailed Terms of Reference (ToR) for the advisory services needed, clear budget estimates for the preparatory phase, and a formal resolution from the CA authorizing the application.
- 2) **Window 3 (Viability Gap Funding):** The most complex applications require a nearly complete, fully structured project, demanding a finalized Feasibility Study, detailed Financial Model (demonstrating the funding gap), the draft Project Agreement, and proof that a competitive procurement process has been initiated or completed, demonstrating private investor commitment.
- 3) **Window 4 (Contingent Liability):** Applications here are reactive, requiring a detailed legal opinion confirming the materialized CL, a calculation of the financial obligation, and evidence that the CA has exhausted all other budgetary means of settlement.

5.4.2 Screening of Applications

Upon receipt, the PFF Secretariat, acting as the Fund Manager's operational arm, conducts an immediate preliminary review, known as **Screening**. This stage is essential for filtering out ineligible or

incomplete submissions, conserving PFF staff resources for detailed assessment of only viable candidates.

- 1) **Completeness Check:** The Secretariat verifies that all mandatory supporting documentation (as per the specific window checklist) has been submitted and is valid.
- 2) **Eligibility Check:** The PFF Secretariat confirms that the applicant is a legitimate CA and that the project falls within the definition of an eligible PPP project as defined by the State's PPP Law and the PFF Manual.
- 3) **Alignment Check:** The Secretariat performs a high-level check to confirm the project's strategic alignment with the PFF Business Plan and the State's Comprehensive Development Framework (CIP).

Applications that fail screening are immediately returned to the CA with clear reasons for non-compliance, initiating a corrective action loop.

5.4.3 Assessment of Applications

Applications that successfully pass the screening stage proceed to the Detailed Assessment phase, primarily led by the PFF Secretariat's technical team and reviewed by the PFF-SC. This is an in-depth, multi-criteria evaluation of the project's merits.

- 1) **Technical and Commercial Viability:** For Window 1 and 3, the assessors rigorously evaluate the underlying Feasibility Study, questioning the project's technical solutions, commercial assumptions, and operational complexity.
- 2) **Financial Review:** The financial model is scrutinized to confirm the accuracy of projected revenues, operating costs, and the justification for the requested PFF support (e.g., verifying that the VGF requested is the absolute minimum necessary).
- 3) **Legal and Regulatory Review:** This ensures that the project complies with all State and Federal laws and that the proposed contracting arrangements are sound and mitigate legal risk.
- 4) **Developmental Impact:** The PFF-SC assesses the project's potential to generate public benefit, economic growth, and social outcomes, ensuring that the PFF funds yield maximum Value for Money (VFM).

5.4.4 Approval of Applications

The final stage is the formal Approval of Applications, which is strictly governed by pre-defined financial thresholds and delegation of authority.

- 1) **PFF Steering Committee (PFF-SC):** The PFF-SC typically approves applications and recommendations that fall below a mid-range financial threshold, primarily relating to smaller Window 1 advances and certain Window 2 institutional strengthening budgets.
- 2) **PPP Committee (PPPC):** The PPPC retains the ultimate decision-making authority for all strategically significant, complex, or high-value applications, including all major VGF requests (Window 3) and Contingent Liability payments (Window 4). This high-level oversight reinforces the fiduciary responsibility of the Fund's highest governing body.
- 3) **Formal Communication:** Once approved, the decision is formally communicated by the PFF Secretariat to the CA, triggering the contracting phase.

5.5 Funding Agreement (FA)

The Funding Agreement (FA) is the single most important legal and operational document governing the relationship between the PFF and the Contracting Authority (CA). No funds can be disbursed to any beneficiary until this agreement is legally executed.

5.5.1 Purpose and Legal Nature

The FA is a binding contract that formalizes the terms and conditions under which the CA will receive, utilize, and account for the PFF's financial support. Its core purpose is to protect the PFF's capital while guaranteeing project performance and accountability.

Main elements delineated in the FA include:

- 1) **Quantum and Purpose:** The exact amount of PFF funding and the precise eligible expenditures it is restricted to cover.
- 2) **Disbursement Milestones (DLIs):** The specific, verifiable milestones or Disbursement-Linked Indicators (DLIs) that must be achieved before each tranche of funding is released.
- 3) **Repayment Terms (for Window 1 and 4):** Clear legal clauses specifying the recovery mechanism, repayment period, and conditions for the reimbursable advances (Window 1) or CL payouts (Window 4).
- 4) **Reporting Obligations:** The mandatory frequency, format, and content of financial and project progress reports the CA must submit to the PFF Secretariat.
- 5) **Event of Default:** Clear definitions of breaches of contract by the CA, and the PFF's corresponding right to suspend disbursements or demand immediate repayment.

5.5.2 Procedure for Preparation and Signing

The process for formalizing the FA is rigorous, ensuring all legal and financial risks are thoroughly addressed.

- 1) **Drafting and Negotiation:** Following the PPC's approval, the PFF Secretariat, in collaboration with its legal advisors, drafts the FA based on a standardized template. Main terms related to milestones and project specifics are negotiated with the CA to ensure mutual understanding and commitment.
- 2) **Legal Vetting:** The final draft is subject to mandatory legal review by the State Ministry of Justice to certify that the FA is consistent with the Jigawa State PPP Law and other applicable State statutes.
- 3) **Review and Recommendation:** The FA is reviewed by the PFF Steering Committee (PFF-SC) to ensure the financial terms, disbursement schedule, and performance indicators are technically sound and aligned with the project's objectives.
- 4) **Formal Execution:** The agreement is formally executed and signed off by the Officer Administering the Fund (OAF) on behalf of the PFF, and the Head of the Contracting Authority on behalf of the beneficiary. This dual signature formalizes the fiduciary and performance obligations of both parties.

5.6 Fund Disbursement

Disbursement is the final action in the fund's operational cycle, involving the physical transfer of approved funds to the eligible recipient. This process is governed by the principle of Performance-Based Disbursement (PBD), which dictates that funds are released based on verifiable achievements, not simply time-based schedules.

5.6.1 Pre-requisites and Conditions for Disbursement

Before any funds are released from the PFF Treasury Account, two non-negotiable conditions must be met:

1. **Executed Funding Agreement:** A legally signed FA must be in place, outlining the specific tranche of funding requested.
2. **Fulfillment of Conditions Precedent (CPDs):** All Conditions Precedent to Disbursement (CPDs) for that specific tranche, as defined in the FA, must be certified as met. For project preparation, this could be the signing of the Transaction Advisor contract. For VGF, it could be the achievement of Project Commercial Close.

5.6.2 Types of Payments from the Fund

Disbursements shall generally fall into three strictly defined categories, ensuring clarity in financial accounting and reporting:

- **Lump-sum Payments:** These are single, one-time payments for specific, distinct, and completed deliverables, or as an initial grant installment. They are used for clear, non-phased procurements.
- **Milestone-based Payments:** The dominant payment mechanism, these payments are strictly triggered upon the independent, internal verification of pre-defined milestones, deliverables, or Disbursement-Linked Indicators (DLIs). This PBD approach is designed to prevent premature expenditure and directly link fund utilization to measurable output.
- **Periodic Retainer Fees:** Used primarily for long-term service contracts, such as Transaction Advisors, these are payments made for the ongoing availability of services within clear contractual timeframes and adherence to pre-defined Service Level Agreements (SLAs).

5.6.3 Processing of Disbursements

The disbursement procedure is a tightly controlled, four-step process involving multiple checks and balances.

- 1) **Receipt of Disbursement Request:** The CA submits a formal disbursement request to the PFF Secretariat, accompanied by all necessary supporting documentation, including invoices, proof of milestone completion, and a formal claim against the relevant milestone.
- 2) **Review and Verification:** The PFF Secretariat's technical and financial teams conduct a meticulous **desk review and physical verification**. The verification confirms that the claimed milestone has been achieved, the expenditure is eligible under the FA, and the supporting invoices are genuine and accurate. Any discrepancies or non-compliance immediately halt the process.
- 3) **Approval and Authorization:** Once verified, the PFF Secretariat prepares a Payment Recommendation. This recommendation is approved by the Fund Manager and formally authorized by the **Officer Administering the Fund (OAF)**, or a formally designated approving officer. This approval authority is non-delegable and mandatory for any withdrawal from the PFF.
- 4) **Payment Processing:** The approved payment instruction is sent to the Jigawa State Ministry of Finance (JSMoF) for release from the PFF Treasury Account to the eligible recipient. The PFF Accountant is responsible for processing the payment and ensuring the timely release of funds to the eligible designated recipients, with the entire flow of funds regularly reviewed for efficiency.

5.7 Fund Disbursement Tracking and Documentation

The financial integrity of the PFF is maintained through rigorous and continuous tracking of all fund disbursements and meticulous documentation. This system ensures that all funds are utilized solely for their intended, approved purposes and that a complete, auditable trail exists for every expenditure.

5.7.1 Disbursement Tracking and Documentation

A. Continuous Tracking

The PFF Secretariat is responsible for Disbursement Tracking, which is a continuous activity throughout the project lifecycle, not merely a post-disbursement check. The tracking system must monitor:

- **Financial Utilization:** Expenditure against the approved budget and the specific funding tranche.
- **Physical Progress:** Achievement of project milestones and deliverables, linking financial outlays directly to physical outputs.
- **Compliance:** Adherence to all terms and conditions outlined in the Funding Agreement and all regulatory requirements.

B. The Management Information System (MIS)

The central tool for this function is the Fund's Management Information System (MIS). The MIS must serve as the single, authoritative repository for all essential operational and financial data, including:

- All original application forms and supporting documents.
- The fully executed Funding Agreement.
- All Disbursement Requests and the corresponding Verification Reports.
- All project progress and monitoring reports submitted by the CA.
- A comprehensive ledger detailing all funds received and disbursed by the PFF, recorded in line with the Jigawa State Standard Chart of Accounts (SCOA) and International Public Sector Accounting Standards (IPSAS).

The MIS generates necessary analytics for performance evaluation and risk management, supporting the generation of dashboards and reports for internal management, the PPPC, and external stakeholders, including Development Partners and Auditors.

C. Audit and Accountability

The maintenance of complete, timely, and reliable records is a core fiduciary responsibility of the OAF. The meticulously maintained documentation forms the basis for the Fund's annual external audit, which is conducted by the Office of the Auditor-General (OAG) or an appointed firm. Robust documentation is the ultimate proof of accountability, assuring all stakeholders, particularly the State Government and Development Partners, that the PFF is fulfilling its mandate with financial prudence and integrity.

6 PROCUREMENT AND CONTRACT MANAGEMENT

6.1 Procurement Principles and Framework

All procurement activities financed wholly or in part by the PFF are mandatory and must be executed in accordance with a set of established principles and a comprehensive legal and policy framework designed to foster competition, transparency, and accountability.

6.1.1 Core Procurement Principles

The PFF adheres to the following foundational principles, which guide all its procurement decisions and methodologies:

- 1) **Value for Money (VFM):** The overarching principle is the maximization of net benefit to the State. Procurement decisions must not focus solely on the lowest price but must consider the optimal combination of quality, cost, and long-term operating efficiency. For consulting services, quality is heavily weighted over price.
- 2) **Transparency and Integrity:** All stages of the procurement process from planning and solicitation to evaluation and contract award must be conducted in a transparent and public manner, ensuring full disclosure to relevant parties and safeguarding against fraud and corruption.
- 3) **Economy and Efficiency:** Procurement processes must be timely and cost-effective. The selection of the procurement method must be commensurate with the complexity and value of the contract, minimizing administrative costs and avoiding unnecessary project delays.
- 4) **Fairness and Competition:** The process must ensure equal opportunity for all eligible national and international bidders, promoting robust competition to drive down costs and improve quality. Evaluation criteria must be objective and applied consistently.
- 5) **Compliance:** Strict adherence to the laws and regulations of Jigawa State, Federal Republic of Nigeria, and any specific covenants outlined in Development Partner (DP) Financing Agreements is mandatory for all PFF-funded procurement.

6.1.2 Policy and Regulatory Framework

The PFF's procurement framework is defined by a three-tiered hierarchy of legal and policy documents:

- 1) **Jigawa State Public Procurement Law:** This is the primary legal reference. All procurement activities must comply with its mandated procedures, use of approved methods, and established financial thresholds for delegated authority.
- 2) **PFF Governance and Operations Manual:** This manual provides specific, specialized guidance and protocols necessary for the unique nature of PFF funding, especially the specialized procurement of advisory services for PPP projects.
- 3) **Development Partner (DP) Guidelines:** For projects co-financed by international partners (e.g., World Bank, AfDB), the PFF must apply the specific procurement rules stipulated in the Financing Agreement (FA). In cases of conflict, the **more stringent requirement** between the State Law and the DP Guidelines shall prevail, ensuring the highest level of compliance.

6.2 Procurement Responsibilities

Procurement activities are clearly compartmentalized between the PFF Secretariat and the Contracting Authorities (CAs) to leverage specialized expertise and ensure clear lines of accountability for contract execution.

6.2.1 Responsibilities of the PFF Secretariat

The PFF Secretariat, acting as the Fund Manager's dedicated operational unit under the Officer Administering the Fund (OAF), assumes a central and proactive role in all PFF-financed procurement.

Main responsibilities include:

- 1) **Executive Procurement:** The Secretariat is directly responsible for planning and executing the procurement of all goods, services, and works required for its Institutional Strengthening functions (Window 2), such as audit services, MIS systems, and staff training programs.
- 2) **Specialized Procurement for CAs:** Essentially, the PFF Secretariat takes the lead in the procurement of Transaction Advisors (TAs) and other highly specialized technical consultants required by CAs for Project Preparation (Window 1). This executive role is adopted to ensure the use of quality-based selection methods, rapid execution, and technical rigor, which CAs may lack.
- 3) **Oversight and Quality Assurance:** For procurements managed by the CA itself, the Secretariat provides mandatory technical assistance, reviews, and necessary approvals of main documents, including the Terms of Reference (ToR), bidding documents, and Evaluation Reports.
- 4) **Contract Execution Support:** Facilitating the contract signing process between the CA and the selected contractor/consultant.
- 5) **Documentation Custody:** Ensuring that a complete, auditable file for every procurement process is maintained and archived.

6.2.2 Responsibilities of the Contracting Authority (CA)

The PFF Secretariat leads the procurement process for TAs, the Contracting Authority remains the owner and ultimate beneficiary of the contract.

The CA's main responsibilities include:

- **Needs Definition:** Developing clear, non-restrictive, and accurate Terms of Reference (ToR) and detailed technical specifications for the services or goods required.
- **Budgeting and Co-financing:** Committing the necessary budgetary resources for co-financing, if required, and ensuring the cost estimate is reasonable.
- **Contract Execution:** Formally signing the contract with the selected firm.
- **Contract Management:** Serving as the designated Contract Manager, responsible for day-to-day supervision of the contractor's performance, ensuring the quality of deliverables, and certifying milestone completion before payments are requested from the PFF.

6.3 Procurement Planning and Thresholds

Procurement activities are governed by a forward-looking planning process and regulated by clearly defined financial thresholds that determine the appropriate procurement methodology and required approval level.

6.3.1 Annual Procurement Plan

The PFF Secretariat is mandated to prepare a consolidated Annual Procurement Plan for all PFF-funded activities. This plan, which must be developed and reviewed annually by the PFF Steering Committee (PFF-SC), is fundamental to efficient resource utilization and avoiding delays.

The plan must include:

Table 6.1: Annual Procurement Plan

COMPONENT	DETAIL REQUIRED	PURPOSE
Procurement Package	Clear description of the goods, works, or consulting service required.	Identifies the project activity being supported (e.g., feasibility study for water PPP).
Estimated Value	The budgeted amount in local currency (Naira) and equivalent currency, where applicable.	Determines the appropriate procurement method and approval threshold.
Procurement Method	Recommended method (e.g., QCBS, ICB, NCB, Shopping) based on value and complexity.	Ensures compliance with legal requirements and VFM principle.
Start and Completion Dates	Planned timeline for each stage: ToR preparation, solicitation, evaluation, and contract award.	Facilitates performance monitoring and alerts management to potential project delays.
Funding Source	Indication of PFF Window (1 or 2) and if restricted DP funds are utilized.	Ensures compliance with financial covenants and internal budgeting.

The final approved Annual Procurement Plan must be publicly available, consistent with the State's transparency mandates.

6.3.2 Procurement Thresholds and Methods

The PFF strictly applies the financial thresholds established by the Jigawa State Public Procurement Law to determine the permissible procurement method and the required level of approval. The main methods utilized, based on the nature and complexity of the contract, include:

- 1) **Quality and Cost-Based Selection (QCBS):** The mandatory method for engaging Transaction Advisors and most complex technical consultants (Window 1). This prioritizes the technical quality of the proposal (typically weighted 80-90%) over the price (10-20%), ensuring competence is secured for project success.
- 2) **Least Cost Selection (LCS):** Applicable for standardized, low-risk consulting assignments where the scope is clearly defined (e.g., routine audit services).
- 3) **Single-Source Selection (SSS):** Permitted only in exceptional circumstances (e.g., continuity of previous work, extreme urgency, or specialized expertise only available from one source). SSS requires the highest level of justification and approval from the PPPC.
- 4) **International Competitive Bidding (ICB):** Mandatory for high-value contracts where the scale or complexity necessitates international competition.
- 5) **National Competitive Bidding (NCB):** Used for contracts below the ICB threshold but requiring open competition within the national market.

Any deviation from the prescribed method must be formally justified, risk-assessed, and approved by the PFF-SC or the PPPC, based on the financial threshold.

6.4 Engagement of Consultants and Transaction Advisors

The procurement of Transaction Advisors (TAs) is the most specialized and essential procurement activity for the PFF, as the success of PPP projects hinges on the quality of advisory services received during the project preparation phase.

6.4.1 The Importance of Quality-Based Selection

Given the fiduciary responsibility of the PFF, the engagement of TAs must focus on securing the highest level of competence. The QCBS method is primarily used for the following reasons:

- 1) **Risk Mitigation:** High-quality TAs possess the expertise to structure PPP deals correctly, mitigating legal, financial, and technical risks for the State.
- 2) **Bankability:** Experienced TAs can attract reputable private sector bidders and secure financing, ensuring the project reaches Financial Close.
- 3) **VFM Realization:** Potentially more expensive upfront, high-quality advice prevents costly errors during implementation, ultimately providing superior long-term VFM.

6.4.2 The Selection Process for Transaction Advisors

The process for TA selection is rigorous, designed to be both competitive and merit-based:

- 1) **Expression of Interest (EOI) and Shortlisting:** A publicly advertised EOI solicits submissions, based on which a limited number of the most technically qualified firms (typically 5 to 7) are shortlisted based on their specialized experience and capacity.
- 2) **Request for Proposals (RFP) Issuance:** The RFP, containing the ToR, evaluation criteria, and contract conditions, is issued to the shortlisted firms.
- 3) **Two-Stage Evaluation:**
 - **Technical Evaluation (First Stage):** An independent Evaluation Committee (which includes technical experts from the CA, PPP Unit, and PFF Secretariat) evaluates the technical proposals (e.g., proposed methodology, team expertise, firm experience) against the published criteria. Only firms achieving a minimum technical score proceed.
 - **Financial Evaluation (Second Stage):** The sealed financial proposals of technically qualified firms are opened publicly. The scores are combined according to the pre-agreed QCBS weights (e.g., 80% Technical, 20% Financial).

- 4) **Contract Negotiation and Award:** Negotiations are confined to minor technical clarifications and ensuring the financial proposal aligns with the technical scope. The contract is awarded to the highest-ranked firm.

6.5 Contract Management

The PFF's operational effectiveness is validated through meticulous contract management. This phase, following procurement and award, ensures that the terms of the Funding Agreement (FA) with the CA, and the contracts with all service providers, are fulfilled.

6.5.1 Contract Administration and Oversight

Effective contract management involves three core functions:

1. **Performance Supervision:** The CA (as Contract Manager) monitors the consultant's day-to-day performance against the contract. The PFF Secretariat maintains an oversight role, particularly for TA contracts, ensuring that all deliverables align with the PFF's funding objectives.
2. **Milestone Verification:** Payment is strictly tied to the achievement of measurable deliverables (**Disbursement-Linked Indicators - DLIs**). The CA certifies the DLI achievement, which is then independently verified by the PFF Secretariat's technical team before any payment instruction is issued. This is the PFF's primary control mechanism.
3. **Variations Management:** Any changes to the contract scope, value, or timeline must be formally processed as a **Contract Variation Order**. Variations exceeding predefined financial thresholds or changing the core project scope must be justified and approved by the same authority that approved the original contract, maintaining procurement integrity.

6.5.2 Risk and Dispute Resolution

Contracts must incorporate clear clauses for risk allocation, particularly for unforeseen events. A structured dispute resolution mechanism must be defined in every contract, progressing typically from negotiation between the CA and the contractor, to mediation, and ultimately to international or national arbitration as a final resort. The PFF Secretariat's legal counsel must vet these clauses.

6.6 Records and Documentation

Meticulous record-keeping and documentation are mandatory and non-negotiable for all PFF-funded activities, serving as the essential foundation for accountability and external audit.

6.6.1 Procurement Files

For every procurement process, the PFF Secretariat must create and maintain a comprehensive, centralized, and auditable procurement file. This file must contain the entire record of the decision-making process, including:

- 1) The approved Annual Procurement Plan entry and the original funding application from the CA.
- 2) Approved ToR/Specifications and the Bidding Documents.
- 3) All received Bids/Proposals.
- 4) The complete and formally signed Evaluation Report.
- 5) All necessary approvals from the OAF, PFF-SC, and PPPC.
- 6) The signed final contract and all subsequent amendments.
- 7) Records of all procurement complaints received and their resolution.

6.6.2 Contract Management Files

Separate, project-specific files must be maintained by the PFF Secretariat for the duration of the contract, containing:

- 1) All original payment requests and the corresponding Verification Reports from the PFF Secretariat.

- 2) All technical deliverables (e.g., Feasibility Study, Financial Model) submitted by the consultant.
- 3) All project monitoring and progress reports received from the CA.

All documentation must be stored in the PFF's Management Information System (MIS), categorized by the State's Standard Chart of Accounts (SCOA) and ready for immediate retrieval by auditors.

6.7 Procurement Monitoring and Reporting

To ensure adherence to the plan and swift identification of risks, continuous monitoring and structured reporting are essential components of the PFF's operational oversight.

6.7.1 Monitoring Mechanism

The PFF Secretariat is responsible for continuous tracking of all procurement activities against the Annual Procurement Plan. This monitoring focuses on:

- 1) **Process Compliance:** Adherence to the approved procurement method and internal procedures.
- 2) **Timeline Adherence:** Tracking time slippage or acceleration against planned milestones.
- 3) **Risk Flagging:** Identification of potential procurement risks (e.g., low bidder response, high-cost bids) that require senior management intervention.

6.7.2 Reporting to Governance Bodies

The Secretariat is required to generate mandatory reports for the PFF's governance bodies:

REPORT TYPE	RECIPIENT	FREQUENCY	MAIN CONTENT AND FOCUS
Quarterly Procurement Status Report	PFF Steering Committee (PFF-SC)	Quarterly	Progress against the Annual Procurement Plan, analysis of deviations, and proposed corrective actions for delayed or problematic procurements.
Annual Operations Report	PPP Committee (PPPC)	Annually	Summary of all contracts awarded, total value of procurement processed, VFM achieved, and lessons learned from the procurement cycle.
External Audit Report	PPPC, JSMoF, Development Partners	Annually	Independent verification of the integrity of the procurement system, financial processes, and compliance with all laws and guidelines.

7 AUDIT AND INTERNAL CONTROL

7.1 Internal Control Framework

The Internal Control Framework (ICF) of the PFF is the integrated system of processes, procedures, organizational structures, and safeguards put in place by the Officer Administering the Fund (OAF) and the PFF Secretariat to provide reasonable assurance that the Fund’s objectives will be achieved. The framework is structured according to globally recognized standards and is fully integrated with the State’s Financial Management Manual (FMM) and regulatory environment.

7.1.1 Components of the Internal Control Framework

The PFF’s ICF is built upon five interconnected components:

- 1) **Control Environment:** This forms the foundation, reflecting the overall tone, ethics, and integrity of the organization. It is established through the mandatory Code of Conduct for all PFF personnel, clear delegation of authority, and the visible commitment of the PPPC to ethical governance.
- 2) **Risk Assessment:** The process by which the PFF Secretariat identifies, analyzes, and manages risks relevant to achieving the Fund’s objectives. This includes operational risk (e.g., delays in procurement), financial risk (e.g., fraud, improper disbursement), and compliance risk (e.g., violation of DP covenants). Risk assessments are performed annually and periodically reviewed by the Audit and Risk Sub-Committee.
- 3) **Control Activities:** The actions established through policies and procedures to ensure management directives are carried out and that risks are contained. These are both preventive (designed to stop errors from happening) and detective (designed to catch errors if they do occur).
- 4) **Information and Communication:** PFF management must capture and communicate relevant information in a timely and accurate manner to support the functioning of internal controls. This includes comprehensive reporting, maintenance of the Management Information System (MIS), and communication of audit findings.
- 5) **Monitoring:** The ongoing evaluation of the quality of internal control performance over time. This is achieved through continuous management oversight, internal audits, and external reviews.

7.1.2 Main Control Activities and Procedures

The PFF places specific emphasis on control activities that directly safeguard the Fund’s capital and ensure compliance, particularly concerning the flow of funds (Section 4) and procurement (Section 6).

Table 7.1: Main Control Activities and Procedures

CONTROL ACTIVITY	DESCRIPTION AND LOCATION WITHIN PFF OPERATIONS	FIDUCIARY OBJECTIVE
Segregation of Duties (SoD)	Mandatory separation of the four core duties: Authorization, Recording, Custody of Assets (Fund), and Reconciliation. No single staff member may perform more than one of these functions in any transaction.	Prevention of fraud and error; establishment of institutional checks and balances.
Dual Authorization/Signatory	All high-value transactions, including disbursement instructions, budget transfers, and legal contract execution, require the signatures of at least two designated, independent officials (e.g., the OAF and the PPPC Chairperson, or two senior Secretariat staff).	Prevention of unauthorized expenditure and financial mismanagement.
Performance-Based Disbursement (PBD)	Funds (Windows 1, 3, 4) are released strictly against verified achievement of Disbursement-Linked Indicators (DLIs) or milestones, not against mere time passage or anticipated needs.	Ensures PFF capital is utilized effectively and tied directly to project output; prevents premature expenditure.
Bank Reconciliation	Monthly reconciliation of PFF bank statements with the	Detects unauthorized

	accounting records maintained by the Secretariat, certified by the PFF Accountant and reviewed by the OAF.	transactions, errors, and cash management discrepancies in a timely manner.
Compliance Checklists	Mandatory checklists used by the Secretariat during application screening, procurement review, and disbursement processing to ensure adherence to DP covenants, State Procurement Law, and the Funding Agreement (FA) terms.	Ensures all regulatory and contractual requirements are met before commitment or expenditure.

7.1.3 Compliance with State Financial Mandates

The ICF ensures full operational compliance with the State's broader financial mandates, specifically the Treasury Single Account (TSA) system and the adoption of the International Public Sector Accounting Standards (IPSAS):

- **TSA Compliance:** The PFF Treasury Account (Section 4.1) must be managed within the centralized framework of the TSA, ensuring that the Jigawa State Ministry of Finance (JSMoF) has real-time visibility and control over the Fund's capital base. Any operational accounts maintained outside the central TSA must be formally justified, approved by the JSMoF, and subject to periodic review.
- **IPSAS Adoption:** The PFF Secretariat's accounting team must maintain all financial records and prepare the annual financial statements in strict accordance with accrual-based IPSAS. This ensures that the financial position and performance of the PFF are presented in a transparent, consistent, and internationally recognized format, which is vital for securing and retaining support from Development Partners.

7.2 Internal Audit

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the PFF's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

7.2.1 The Role and Independence of Internal Audit

The Internal Audit function operates under the direct supervision of the Audit and Risk Sub-Committee (ARSC), not the operational management of the PFF Secretariat. This reporting line is essential to ensure the auditor's independence and objectivity, allowing them to review all aspects of the Fund's operations, including those controlled by the OAF.

The internal audit function is responsible for:

1. **Evaluation of Internal Controls:** Systematically testing and assessing the adequacy and operational effectiveness of the controls detailed in Section 7.1.
2. **Compliance Audit:** Verifying that PFF operations adhere to all applicable laws, regulations, and the PFF Governance and Operations Manual.
3. **Performance Audit:** Assessing the economy, efficiency, and effectiveness of PFF activities, particularly project preparation spending (Window 1), to ensure that the Fund is achieving its developmental objectives.
4. **Risk Management Assessment:** Reviewing the adequacy of the PFF's enterprise risk management system.

7.2.2 The Audit and Risk Sub-Committee (ARSC)

The ARSC is established by the PPC and serves as the highest institutional mechanism for internal oversight. Its membership must comprise individuals with financial expertise and a high degree of independence from the Fund's day-to-day management.

Table 7.2: Audit and Risk Sub-Committee

ARSC PRIMARY FUNCTION	DETAILED RESPONSIBILITY AND IMPACT
Oversight of Financial Reporting	Reviewing and challenging the PFF's financial statements, ensuring they provide a true and fair view of the Fund's financial position before submission to the PPPC for adoption.
Supervision of Internal Audit	Approving the annual Internal Audit Work Plan, reviewing audit reports, and ensuring adequate resources are available for the Internal Audit function to operate effectively and independently.
Risk Management Review	Assessing the PFF's risk appetite and reviewing the Enterprise Risk Management (ERM) system to ensure main risks (e.g., contingent liability exposure, liquidity risk) are adequately identified and mitigated.
Follow-up on Corrective Action	Tracking management's implementation of recommendations made by both internal and external auditors, holding management accountable for timely resolution of control weaknesses.

7.2.3 The Internal Audit Process

The internal audit process is cyclical and methodical:

1. **Annual Work Plan:** The Internal Auditor develops a risk-based Annual Work Plan, prioritizing audits of high-risk areas (e.g., large-value procurements, complex VGF disbursements, or areas with previous control failures). This plan is formally approved by the ARSC.
2. **Fieldwork and Reporting:** The audit team executes the planned engagements, gathering evidence, and drafting findings. Each finding is communicated in a formal Internal Audit Report to the ARSC.
3. **Management Response:** The OAF/PFF Secretariat must formally respond to the report, detailing the agreed-upon corrective actions, the staff responsible, and the timeline for implementation.
4. **ARSC Review and Reporting:** The ARSC reviews both the audit findings and management's response. It then reports its conclusions and recommendations directly to the PPPC, ensuring senior governance is aware of control weaknesses and management's commitment to remediation.

7.3 External Audit

External Audit provides an independent opinion on the fairness of the PFF's annual financial statements and confirms the Fund's compliance with all applicable legal and contractual requirements. This function ensures accountability to the State Government, the Jigawa State House of Assembly, and all financial stakeholders.

7.3.1 Mandate and Scope of External Audit

The external audit of the PFF is mandatory and is legally assigned to the Office of the Auditor-General (OAG) of Jigawa State or a qualified independent firm of accountants specifically appointed for the task, subject to the procurement laws.

The scope of the External Audit shall cover:

- 1) **Financial Statement Opinion:** Expressing an opinion on whether the PFF's annual financial statements present a true and fair view of its financial position, consistent with IPSAS.
- 2) **Compliance Audit:** Verifying compliance with the Jigawa State PPP Law, the PFF Governance and Operations Manual, the State's appropriation act, and, essentially, all covenants and restrictions stipulated in the Financing Agreements with Development Partners (DPs).
- 3) **Propriety Audit:** Reviewing the legitimacy and economy of selected expenditures, particularly large-scale disbursements for project preparation (Window 1) and VGF (Window 3).

7.3.2 Reporting and Accountability

The external audit process is governed by strict timelines to ensure accountability is timely:

- 1) **Submission Deadline:** The OAF is responsible for ensuring that the PFF's audited annual statement of accounts is submitted to the **Office of the Auditor-General** within **three months** of the financial year-end.

- 2) **The Management Letter:** The External Auditor submits a **Management Letter** to the OAF and the ARSC, which details any material weaknesses in internal controls discovered during the audit, along with specific recommendations for improvement.
- 3) **Formal Adoption:** The ARSC reviews the Management Letter and the final audited accounts. The final accounts, along with the OAF's formal response to the audit findings, are then submitted to the PPPC for formal adoption.
- 4) **Public Disclosure:** Following adoption by the PPPC, the audited accounts and relevant findings are transmitted to the Jigawa State House of Assembly and made available to relevant Development Partners and the general public, in line with the Fund's transparency commitments.

Table 7.3: Comparison of Internal and External Audit Functions

FEATURE	INTERNAL AUDIT	EXTERNAL AUDIT (OAG OR APPOINTEE)
Primary Reporting Line	Audit and Risk Sub-Committee (ARSC)	Jigawa State House of Assembly / General Public / Development Partners
Goal/Focus	Operational efficiency, policy adherence, risk management, and effectiveness of internal controls.	Fairness of financial statements (IPSAS compliance) and adherence to statutory laws.
Frequency	Continuous and Cyclical (based on risk-based annual plan)	Annual (Statutory requirement)
Mandatory Scope	Controls, Systems, Performance, and Compliance	Financial Statements and Statutory/Regulatory Compliance
Management Role	Implementation of corrective actions recommended by ARSC.	Formal response to the Management Letter and final accounts adoption.

7.4 Fraud, Misuse, and Financial Irregularity Response

The PFF maintains a zero-tolerance policy towards fraud, waste, abuse, and any financial irregularity. A robust response mechanism is essential to protect the Fund's assets and reputation.

7.4.1 Definition of Financial Irregularity

Financial irregularity encompasses any intentional or unintentional breach of financial rules, including:

- **Fraud:** Intentional misrepresentation of facts or omission of information to deceive or cause the PFF to suffer a loss.
- **Waste and Abuse:** Inefficient or extravagant use of PFF resources (e.g., excessive procurement costs, unauthorized travel) that does not necessarily involve illegal acts.
- **Misuse of Funds:** Using PFF funds for purposes other than those stipulated in the approved budget, Funding Agreement, or the PFF Manual (e.g., diversion of Window 1 funds to cover operational deficits).

7.4.2 Detection and Reporting Mechanism

Detection is primarily driven by the PFF's internal controls and audit functions (Sections 7.1 and 7.2). However, the Fund also mandates the use of a formal whistleblowing mechanism.

- **Whistleblowing Policy:** The PFF must establish a policy guaranteeing confidentiality, protection from retaliation, and anonymous reporting channels for any staff member, contractor, or external party to report suspected irregularities directly to the ARSC or an independent external body (e.g., the State anti-corruption agency).
- **Mandatory Disclosure:** The OAF and all PFF staff are obligated to immediately disclose any knowledge or suspicion of fraud or irregularity to the ARSC and the PPPC Chairperson.

7.4.3 Investigation, Remediation, and Recovery

Once an irregularity is reported, a formal, time-bound investigation must be initiated, typically led by the Internal Audit function in coordination with the appropriate State legal or anti-corruption agencies.

- 1) **Investigation:** The investigation adheres to the procedures outlined in the PFF Audit Manual (PAM), aiming to establish facts, quantify the loss, and identify the responsible parties.

- 2) **Corrective Action:** Immediate administrative action, including suspension of staff, termination of contracts, and suspension of disbursements to a non-compliant CA, must be taken to stop the irregularity.
- 3) **Recovery and Legal Action:** The OAF, in consultation with the State Ministry of Justice, is responsible for pursuing all legal avenues to recover misused or defrauded funds. Where a CA is found to have misused PFF funds, the PFF will activate the recovery clauses stipulated in the Funding Agreement.
- 4) **Reporting to DPs:** All confirmed cases of fraud or corruption involving DP-financed activities must be immediately reported to the respective Development Partner as per the terms of the Financing Agreement, as non-disclosure constitutes a serious breach of covenant.

7.5 Monitoring, Learning, and Continuous Improvement

Audit and control are not static processes; they form an essential feedback loop for the PFF's Monitoring, Learning, and Continuous Improvement strategy. This system ensures that every control failure or operational success leads to the documented refinement of policies and procedures.

7.5.1 Distinction between Audit and M&E

It is essential to distinguish the functions:

- **Audit (Section 7):** Focuses on fiduciary compliance, financial integrity, and adherence to rules (Are we doing things right?).
- **Monitoring and Evaluation (M&E) (Section 5):** Focuses on developmental effectiveness, performance, and impact assessment (Are we doing the right things, and are we achieving the intended results?).

The M&E function, overseen by the PFF Secretariat, measures performance against Main Performance Indicators (KPIs) set out in the Strategic Business Plan and the Project Performance Monitoring Plan.

7.5.2 Integration of Learning into Governance

The PFF institutionalizes learning from both audit and M&E reports:

Table 7.4: Integration of Learning

FEEDBACK SOURCE	LEARNING OUTCOME	GOVERNANCE ACTION
External Audit Management Letter	Identification of a systemic control weakness (e.g., poor documentation of TA procurement).	PPPC mandates a review and revision of the Procurement Manual (Section 6) to incorporate stricter documentation requirements and training.
M&E Project Completion Report	Finding that VGF grants (Window 3) are not leading to the anticipated private sector investment level.	PFF-SC revises the Financing Policy (Section 5) and the VGF eligibility criteria to increase the minimum private sector leverage ratio required for approval.
Internal Audit Report	Discovery of repeated misuse of the cash advance system by Secretariat staff (Window 2).	OAF implements a new, more stringent Internal Control Procedure (Section 7.1) involving real-time expenditure tracking via the MIS and reducing cash float limits.

7.5.3 The Role of the PFF-SC in Continuous Improvement

The PFF Steering Committee (PFF-SC) acts as the engine for continuous improvement, utilizing the formal recommendations generated by the ARSC and the technical evaluations from the Secretariat's M&E function. The PFF-SC periodically evaluates the entire Governance and Operations Manual (GOM) to ensure it remains fit-for-purpose, adapting the Fund's rules and procedures to emerging risks, lessons learned from project execution, and evolving international best practices in PPP finance and fiduciary management. This cyclical process of audit, learning, and refinement ensures the PFF remains a dynamic, responsible, and effective catalyst for infrastructure development in Jigawa State.

8 ANTI-FRAUD, CORRUPTION, AND SAFEGUARD MEASURES

8.1 Anti-Fraud and Anti-Corruption Policy

The PFF maintains an explicit Zero-Tolerance Policy toward all acts of fraud, corruption, collusion, coercion, and obstruction (collectively, "Prohibited Practices"). This policy is non-negotiable and applies uniformly to all PFF personnel, Contracting Authorities (CAs), Transaction Advisors (TAs), consultants, contractors, and any other party utilizing PFF funds or participating in PFF-supported PPP projects.

8.1.1 Definitions and Scope of Prohibited Practices

To ensure clarity and enforceability, the PFF adopts internationally recognized definitions for Prohibited Practices, which extend the scope of misconduct beyond simple fraud:

- 1) **Fraud:** Any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation. This includes falsifying invoices, financial statements, or project milestones.
- 2) **Corruption:** The offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to improperly influence the actions of another party. This includes bribery, kickbacks, and undue influence in procurement or contract award decisions.
- 3) **Collusion:** An arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party. This often manifests in bid-rigging during the procurement of Transaction Advisors (Window 1).
- 4) **Coercion:** Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or its property to influence its participation in a procurement process or the execution of a contract.
- 5) **Obstruction:** Deliberate acts to materially impede the exercise of the PFF's or the Auditor-General's contractual rights of audit, investigation, or access to information.

The PFF Anti-Fraud and Anti-Corruption Policy is binding on all four PFF Support Windows (Project Preparation, Institutional Strengthening, VGF, and Contingent Liability) and extends to all phases of the project lifecycle, from initial conceptualization and feasibility assessment to final contract execution and asset management.

8.1.2 Proactive and Preventive Measures

The PFF employs a multi-layered strategy focused on prevention, ensuring that controls are built into the system rather than relying solely on detection after a loss has occurred.

- 1) **Mandatory Due Diligence:** The PFF Secretariat conducts rigorous integrity checks and enhanced due diligence on all Contracting Authorities and main private sector partners or consultants before a Funding Agreement (FA) is executed. This includes screening for adverse media, political exposure, and past contractual non-performance.
- 2) **Transparency in Procurement:** All procurement processes, particularly for Transaction Advisors (Section 6.4), must feature public disclosure of main information, including prequalification criteria, shortlists, reasons for rejection, and the final contract award notice. Transparency prevents the manipulation of selection outcomes.
- 3) **Strict Segregation of Duties (SoD):** The Internal Control Framework (Section 7.1) strictly enforces SoD, ensuring that the staff member who authorizes a disbursement request cannot also record the transaction or serve as the final signatory.

- 4) **Whistleblowing Protection and Reporting:** The PFF establishes and publicly communicates a secure, confidential, and protected channel for reporting suspected Prohibited Practices. The policy explicitly guarantees non-retaliation for those who report in good faith. Reports can be submitted directly to the Audit and Risk Sub-Committee (ARSC) or the State's Anti-Corruption Agency, bypassing the operational management structure where necessary.
- 5) **Training and Awareness:** All PFF personnel and relevant CA staff are required to undergo mandatory annual training on the Anti-Fraud and Anti-Corruption Policy, ensuring continuous awareness of their obligations and reporting protocols.

8.1.3 Investigation and Enforcement Protocol

Any suspicion of Prohibited Practices triggers an immediate and structured response protocol:

- 1) **Suspension:** Upon credible suspicion, the PFF may immediately suspend disbursements to the relevant CA or suspend the contract of the accused party.
- 2) **Investigation:** The investigation is typically led by the PFF Internal Audit function, under the direction of the ARSC, and may involve collaboration with State and Federal law enforcement or anti-corruption agencies. Investigations must be conducted with speed, impartiality, and discretion.
- 3) **Sanctions:** Proven cases of Prohibited Practices result in severe sanctions, which may include:
 - Termination of the contract or Funding Agreement.
 - Demanding immediate repayment of all misused PFF funds.
 - Referral for criminal prosecution under the laws of Jigawa State and Nigeria.
 - **Debarment:** The individual or firm may be formally debarred from participating in any future PFF-supported or Jigawa State government-funded projects for a specified period.
- 4) **Reporting:** All confirmed cases of fraud or corruption involving PFF funds must be reported to the PPP Committee (PPPC), the Jigawa State Ministry of Finance (JSMoF), and any co-financing Development Partners, along with the corrective and remedial actions taken.

8.2 Environmental and Social Safeguards

The PFF recognizes that supporting infrastructure development must not compromise the natural environment or the well-being of local communities. Therefore, the integration of rigorous Environmental and Social (E&S) Safeguard Measures is a mandatory prerequisite for all projects seeking PFF support, particularly under the Viability Gap Funding (Window 3) and Project Preparation (Window 1) phases.

8.2.1 Commitment to Sustainable Development

The PFF's E&S Policy affirms the Fund's commitment to ensuring that PFF-supported projects:

1. Prevent, Minimize, and Mitigate adverse environmental impacts, including pollution, habitat degradation, and resource depletion.
2. Avoid or Minimize involuntary land acquisition, displacement, and economic hardship. Where avoidance is impossible, projects must implement comprehensive and fair compensation and resettlement plans.
3. Ensure Fair Labor Standards and safe working conditions for all project workers.
4. Engage Meaningfully with all project-affected parties and local communities throughout the project lifecycle.

8.2.2 Mandatory E&S Compliance Documentation

Compliance is verified through mandatory E&S documentation, which must be financed under Window 1 and approved by the PFF Secretariat before the project proceeds to procurement:

- 1) **Environmental and Social Impact Assessment (ESIA) or Environmental Audit (EA):** Required for all Category A (high risk) and Category B (medium risk) projects. The ESIA assesses the potential positive and negative impacts, evaluates alternatives, and details the necessary mitigation, management, and monitoring measures.

- 2) **Resettlement Action Plan (RAP) or Abbreviated Resettlement Plan (ARP):** Mandated where the project involves involuntary land acquisition, physical displacement, or economic displacement. The plan must ensure that affected persons are compensated at replacement cost and their standard of living is restored or improved.
- 3) **Environmental and Social Management Plan (ESMP):** The detailed, implementable plan derived from the ESIA, specifying the actions, timelines, budgets, and responsible parties for implementing all mitigation and monitoring measures during construction and operation.

8.2.3 Integration with Development Partner Requirements

For projects co-financed by Multilateral Development Banks (MDBs) or other DPs, the PFF strictly adheres to the DP's specific safeguard policies (e.g., the World Bank's Environmental and Social Framework or AfDB's Integrated Safeguards System).

- 1) **Higher Standard Principle:** In cases where the DP's safeguard requirements are more stringent than those of the Federal or Jigawa State law, the **DP's higher standard** shall be applied.
- 2) **Compliance Verification:** The PFF Secretariat's technical team is responsible for reviewing E&S documentation for compliance with the Funding Agreement (FA) and the applicable DP covenants. Final PFF disbursements (especially VGF or project preparation advances) are strictly conditional upon the Secretariat's certification of safeguard compliance and satisfactory implementation of the ESMP/RAP.
- 3) **Grievance Mechanism:** All PFF-supported projects must establish a dedicated Project-Level Grievance Redress Mechanism (GRM) that is accessible, free of charge, and transparent, allowing affected communities to raise concerns regarding E&S performance.

8.3 Anti-Fraud, Corruption and Safeguards Charter

To institutionalize the commitments made in Sections 8.1 and 8.2, the PFF requires the establishment of a formal, legally binding Anti-Fraud, Corruption and Safeguards Charter (the Charter). This document serves as the supreme covenant governing the integrity and sustainability standards of PFF-funded projects.

8.3.1 Purpose and Legal Force of the Charter

The Charter is an overarching document that consolidates the PFF's operational, ethical, and environmental commitments.

- 1) **Fiduciary Covenant:** Every Funding Agreement (FA) executed between the PFF and a Contracting Authority (CA) must incorporate the full text of the Charter by reference, making compliance a mandatory contractual obligation. Breach of the Charter constitutes an immediate **Event of Default** under the FA, giving the PFF the right to suspend or terminate funding and demand repayment.
- 2) **Stakeholder Commitment:** The Charter requires formal, written acknowledgment and commitment from main project stakeholders, including the CA Head, the PFF OAF, the successful Transaction Advisor, and, in some cases, the private sector partner (upon Financial Close), establishing a collective responsibility for integrity and sustainability.

8.3.2 Core Mandates of the Charter

The Charter mandates specific, legally enforceable actions and commitments:

- 1) **Right to Audit and Access:** Granting the PFF (and its designated auditors or investigators) the absolute, non-restrictive right to audit all project-related accounts, records, and documentation held by the CA, the Transaction Advisor, or the private partner, for the duration of the project and up to seven years thereafter.

- 2) **Disclosure Requirement:** Mandating the immediate disclosure of any known or suspected Prohibited Practices or any material breach of E&S covenants to the PFF Secretariat and the relevant State authorities.
- 3) **Remedial Obligations:** Committing the CA to implement all remedial and corrective actions, including the immediate suspension of culpable individuals, and to cooperate fully with investigations, ensuring a rapid restoration of compliance.

This Charter establishes the highest legal threshold for integrity in all PPP transactions supported by Jigawa State public funds.

8.4 Institutional Responsibilities

The successful implementation of the Anti-Fraud, Corruption, and Safeguard Measures depends on clear institutional roles, accountability, and the proactive engagement of the PFF's governance structure.

Table 8.1: Institutional Responsibilities for Anti-Fraud, Corruption, and Safeguard Compliance

INSTITUTION	ANTI-FRAUD AND CORRUPTION RESPONSIBILITY	ENVIRONMENTAL AND SOCIAL SAFEGUARD RESPONSIBILITY	MAIN ENFORCEMENT TOOL
PPP Committee (PPPC)	Ultimate responsibility for setting the overall ethical <i>tone at the top</i> and approving the Zero-Tolerance Policy.	Final approval of the PFF's Environmental and Social Policy and Framework.	Strategic Oversight, Policy Approval, and High-Level Sanctioning.
Audit and Risk Sub-Committee (ARSC)	Direct oversight of the Internal Audit function and the whistleblower mechanism; commissioning investigations into Prohibited Practices.	Reviewing E&S risks as part of the Enterprise Risk Management (ERM) framework.	Investigation Mandate, Internal Audit Supervision, and Management Follow-up.
PFF Secretariat (OAF)	Executive responsibility for enforcing the policy, conducting due diligence, and initiating investigations and contract suspensions.	Reviewing, verifying, and certifying the adequacy of ESIA/RAP/ESMP documentation before disbursement.	Due Diligence, Compliance Verification, and Disbursement Suspension.
Contracting Authority (CA)	Mandatory adherence to the Charter; establishing internal anti-corruption measures within the CA; immediate reporting of any irregularity.	Day-to-day implementation of the ESMP/RAP, operating the Project-Level Grievance Redress Mechanism (GRM).	Implementation of ESMP/RAP, Local Supervision, and Primary Reporting.

8.4.1 Role of the PFF Secretariat in Enforcement

The PFF Secretariat holds the primary operational duty for enforcement. It serves as the frontline control:

- 1) **Verification Gatekeeper:** No PFF funds can be disbursed until the Secretariat certifies compliance with both the Anti-Fraud and E&S requirements of the Funding Agreement. This includes checking that the ESMP is budgeted for, the GRM is operational, and the procurement process was free of collusive practices.
- 2) **Monitoring and Reporting:** The Secretariat is responsible for incorporating anti-corruption and safeguard performance indicators into its routine project monitoring (Section 5.7), ensuring that any lapses are immediately identified and escalated.

8.4.2 Institutionalization of Safeguards

The institutionalization of safeguards requires specialized capacity:

- 1) **Designated E&S Officer:** The PFF Secretariat must designate an Environmental and Social Officer responsible for building the capacity of CAs, screening projects for risk categorization, and coordinating with DP safeguard specialists.
- 2) **Cost Eligibility:** The cost of preparing all mandatory E&S safeguard documents (ESIA, RAP, ESMP) and the cost of implementing the ESMP/RAP are explicitly defined as eligible expenditures under PFF Window 1 and the overall project budget, respectively. By funding these activities, the PFF ensures that compliance is not circumvented due to budgetary constraints.

9 DURATION AND WINDING UP OF THE FUND

9.1 Permanence and Review Cycle

The PFF is designed as a self-sustaining financial mechanism, strategically decoupled from annual budgetary uncertainties to provide consistent, long-term support for PPP development.

9.1.1 Intended Permanence

The PFF is established as a statutory body or mechanism intended to operate on a continuous, indefinite basis, subject to the ongoing validity of the Jigawa State PPP Law under which it was created. Its permanence is predicated on the following operational principles:

1. **Revolving Capital Base:** The PFF is designed to be a revolving fund, meaning that the recovery of its Project Preparation Advances (Window 1) and potential recoveries of Contingent Liability (CL) payouts (Window 4) ensure that capital is continuously recycled to support new projects, reducing reliance on sustained new budgetary appropriations.
2. **Strategic Mandate:** The Fund's mandate is directly linked to the State's Comprehensive Development Framework (CIP) and its need for long-term infrastructure investment. So long as the State relies on PPPs to bridge its infrastructure gap, the PFF remains a strategically vital institution.
3. **Governance Structure:** The establishment of the Jigawa State PPP Committee (PPPC) as its supreme governing body and the robust Governance and Operations Manual (GOM) are designed to provide institutional resilience that transcends political cycles.

9.1.2 Mandatory Review Cycle

Despite its intended permanence, the PFF's operational effectiveness and strategic relevance are subject to mandatory, periodic review by the Jigawa State Government.

- 1) **Strategic Business Plan (SBP) Review:** The PFF's long-term viability is primarily reviewed during the renewal cycle of its Strategic Business Plan, typically every five to ten years. This review assesses the effectiveness of the Fund's financing policy, its success in attracting private capital, and the performance of its support windows (Section 5.1).
- 2) **Statutory Review:** The Jigawa State PPP Law, under which the PFF operates, must include a provision for a formal, independent Statutory Review of the Fund, typically conducted by the Jigawa State House of Assembly or a body commissioned by the State Executive Council, every five years. This review evaluates the PFF's overall developmental impact, its compliance with fiduciary standards, and its continued need in the State's fiscal landscape.
- 3) **Audit Feedback Loop:** The findings from the annual External Audit and the recommendations from the Audit and Risk Sub-Committee (ARSC) (Section 7) serve as continuous, real-time inputs for assessing operational health and recommending necessary course corrections.

The findings from these review cycles may lead to major restructuring (e.g., revising the support windows, altering the recoverable percentage of advances) but should not, under normal circumstances, lead to the Fund's termination.

9.2 Conditions for Winding Up or Restructuring

The decision to wind up the PFF is a measure of last resort, recognized as a significant policy reversal that would impact the State's ability to attract private investment for infrastructure. Such a decision can only be taken by the Jigawa State House of Assembly, usually upon the recommendation of the State Executive Council (SEC) and the PPP Committee (PPPC).

9.2.1 Statutory Conditions for Winding Up

The Fund can be formally wound up only upon the occurrence of specific, extraordinary conditions, which must be clearly defined in the PFF's enabling statute:

1. **Repeal of Enabling Legislation:** The primary condition is the formal repeal or non-renewal of the Jigawa State PPP Law by the State House of Assembly, thereby removing the legal basis for the PFF's existence.
2. **Achievement of Developmental Objective:** A declaration by the SEC that the State has fully achieved its essential infrastructure targets, the market for PPPs is fully mature, and the financial assistance of the PFF is no longer necessary or fiscally justifiable. This would require robust supporting evidence from the State's planning commission.
3. **Systemic Financial Failure:** A finding by the External Auditor and the PPPC that the PFF has suffered systemic financial failure, characterized by:
 - **Irrecoverable Capital Depletion:** A sustained inability to recover reimbursable advances, leading to the exhaustion of the revolving capital base.
 - **Unmitigable Risk:** The accumulation of excessive, unhedged financial risks (e.g., massive CL exposure) that threatens the fiscal stability of the State, making the Fund's continuation a hazard.
4. **Failure of Fiduciary Oversight:** A sustained, uncorrected finding of gross mismanagement, pervasive fraud, or systemic non-compliance with the Anti-Fraud and Anti-Corruption Policy (Section 8), despite intervention by the ARSC and PPPC.

9.2.2 Conditions for Major Restructuring

Major restructuring is less drastic than winding up but involves significant changes to the Fund's core purpose or operating model. Triggers for restructuring include:

- 1) **Policy Shift:** A fundamental change in the State's infrastructure delivery strategy, such as a shift away from user-fee-based projects (reducing the need for VGF) toward purely publicly financed projects.
- 2) **Donor Exit:** The complete cessation of all external funding from Development Partners, requiring the PFF to drastically shrink its operations and rely solely on State appropriations and internal recoveries.
- 3) **Operational Ineffectiveness:** Findings from the five-year Statutory Review that demonstrate the Fund is failing to meet its mandated developmental targets, such as a consistently low rate of successful project financial closure or a high rate of project failure post-disbursement.

9.3 Treatment of Outstanding Commitments

The process of winding up the PFF, if triggered, must be a highly structured, phased process managed by a specifically appointed Winding Up Committee (WUC), reporting directly to the PPPC. The primary objective during this phase is to ensure that all financial, legal, and contractual obligations are meticulously settled and transferred, preventing fiscal or legal shocks to the State.

9.3.1 Management of Financial and Legal Obligations

A specific protocol must be followed to address all active commitments:

1. **Immediate Cessation of New Commitments:** Upon the formal decision to wind up, the PFF Secretariat must immediately cease all acceptance of new funding applications (Windows 1, 3, and 4) and halt all new procurement activities (Window 2).
2. **Settlement of Contractual Obligations (Window 1 and 2):** All active contracts for Transaction Advisors (TAs) and institutional consultants must be reviewed. Contracts are either executed to completion, or formally terminated according to the contract's termination clauses. Final payments must be certified and settled.

3. **Treatment of Viability Gap Funding (Window 3):**
 - **Disbursed VGF:** Funds already disbursed to private partners (via the CA) are non-recoverable grants and remain with the project.
 - **Committed but Undisbursed VGF:** Committed, but undrawn, VGF tranches must be formally cancelled by the PFF. The Contracting Authority (CA) must be notified, and responsibility for the remaining funding gap must be formally transferred to the CA and the Jigawa State Ministry of Finance (JSMoF) for inclusion in the State’s main budget.
4. **Transfer of Contingent Liabilities (Window 4):** This is the most essential step. The entire portfolio of outstanding financial commitments and Contingent Liabilities (CLs) that the PFF was backing must be formally documented, valued, and transferred. The responsibility for backing these CLs is shifted entirely to the JSMoF and the State’s consolidated budget, ensuring that the State’s fiscal commitments to private partners remain legally valid.

9.3.2 Recovery of Assets and Advances

The Winding Up Committee (WUC) is responsible for a final, aggressive effort to recover all outstanding recoverable advances:

- **Window 1 Advances:** The WUC must pursue all means, legal and administrative, to recover outstanding Project Preparation Advances from CAs where the respective PPP projects have reached Financial Close. Any unrecovered amounts are formally classified as losses.
- **Sale of Assets:** The PFF Secretariat’s fixed and current assets (e.g., IT equipment, vehicles, office property) must be disposed of according to the State’s asset disposition rules. Proceeds from the sale are returned to the Fund’s final balance.
- **Settlement of Fund Balance:** After all liabilities and commitments are settled, the remaining net balance of the PFF Treasury Account must be formally transferred to the State Consolidated Revenue Fund (CRF) under the direct supervision of the JSMoF.

9.4 Institutional Transition Arrangements

The transition from an operational PFF to a closed entity requires meticulous planning to ensure that the vital institutional knowledge, documentation, and residual functions are seamlessly absorbed by existing government bodies.

9.4.1 Documentation and Archiving

The maintenance of a complete, auditable record is paramount during the winding-up phase (Section 6.6).

Table 9.1: Documentation and Archiving

DOCUMENTATION CATEGORY	ARCHIVING AND RETENTION RESPONSIBILITY	RETENTION PERIOD
All Procurement Files	Transferred to the Jigawa State Bureau of Public Procurement (BPP)	Minimum of 10 years after final contract expiration or termination.
PFF Financial Records	Transferred to the Jigawa State Ministry of Finance (JSMoF)	Permanently, for fiscal accountability and historical reference.
Project Documentation (FA, ESIA, VGF Agreements)	Transferred to the Contracting Authority (CA) and JSMoF (for CL records).	For the entire life of the underlying PPP project plus 7 years.
PFF Governance Manual and Policies	Transferred to the State Planning Commission and InvestJigawa.	Permanently, for institutional memory and policy review.

9.4.2 Human Resources and Institutional Knowledge Transfer

The winding up process must include provisions for the PFF Secretariat staff:

- 1) **Staff Reassignment:** Main technical staff (e.g., specialized PPP analysts, financial experts) should be reassigned to the State’s PPP Unit, InvestJigawa, or the JSMoF, to retain essential institutional knowledge and project continuity.

- 2) **Knowledge Transfer:** A formal, documented knowledge transfer process is required, including the compilation of a **Final Lessons Learned Report** (Section 9.5) and the archiving of all project documentation onto the relevant successor agency's systems.

9.4.3 The Final Report

The Winding Up Committee (WUC) must prepare a definitive **Final Winding Up Report** for submission to the PPPC, the SEC, and the House of Assembly. This report constitutes the final administrative act of the PFF and must contain:

1. A detailed statement of the reasons for the winding up.
2. A complete audited Statement of Accounts showing all receipts, payments, and the final balance transfer to the CRF.
3. A complete list of all outstanding CLs transferred to the JSMoF.
4. A certification that all outstanding contracts and legal obligations have been settled or legally transferred.
5. A summary of institutional assets disposed of and the proceeds realized.

10 FUND PERFORMANCE MANAGEMENT FRAMEWORKS

10.1 Main Performance Areas (KPAs)

To ensure comprehensive oversight, the PFF's performance is evaluated across four strategic Main Performance Areas (KPAs). These areas correspond directly to the Fund's core objectives as defined in its enabling legislation and its Strategic Business Plan (SBP). Each KPA serves as a pillar for the development of specific, measurable performance indicators (KPIs).

10.1.1 KPA 1: Project Catalysis and Effectiveness

This KPA measures the PFF's primary developmental impact its success in transforming nascent PPP ideas into bankable, financed projects that deliver public services. The PFF is fundamentally a catalytic tool; therefore, its performance is judged by its ability to accelerate the project pipeline and achieve irreversible financial milestones.

- **Focus:** The conversion rate of projects from early stage (Window 1 support) to Financial Close (Window 3 VGF utilization) and, ultimately, to project commissioning.
- **Strategic Objective:** To ensure PFF funding is not spent on projects that eventually fail to materialize, thereby preventing the waste of public resources on unbankable concepts.

10.1.2 KPA 2: Financial Sustainability and Leverage

This KPA assesses the PFF's ability to manage its capital prudently and effectively leverage private sector investment, confirming its role as a quasi-revolving financial instrument. A main measure of the PFF's success is the degree to which it mobilizes private capital relative to the public funds it commits.

- **Focus:** The efficiency of capital recycling (reimbursement of advances), the stability of the capital base, and the overall ratio of private investment attracted versus PFF expenditure.
- **Strategic Objective:** To transition the PFF from being an expense line in the State budget to a self-sustaining financial mechanism that minimizes the fiscal burden on the Jigawa State Government.

10.1.3 KPA 3: Operational Efficiency and Governance

This KPA focuses on the internal processes, speed, and governance of the PFF Secretariat. Efficient and timely execution of the Fund's mandate is essential, as excessive administrative delays can jeopardize PPP deals by eroding investor confidence and increasing project costs.

- **Focus:** The time taken to process funding applications, procure Transaction Advisors (TAs), and effect disbursements. It also covers the overall effectiveness and technical capacity of the PFF Secretariat and its compliance with internal rules.
- **Strategic Objective:** To ensure the PFF is recognized as a professional, responsive, and efficient entity that minimizes bureaucracy for project proponents and private investors.

10.1.4 KPA 4: Fiduciary Compliance and Integrity

This KPA measures the PFF's adherence to all legal, statutory, and contractual requirements, including the Jigawa State Public Procurement Law, the Anti-Fraud and Anti-Corruption Policy, and the specific covenants of Development Partner (DP) Financing Agreements. This KPA underpins the confidence of all stakeholders.

- **Focus:** The absence of material audit findings, timely reporting, adherence to procurement procedures, and the effective implementation of Environmental and Social (E&S) Safeguard Measures.
- **Strategic Objective:** To maintain the PFF's reputation for the highest level of fiduciary responsibility, ensuring continuous eligibility for future State and Development Partner funding.

10.2 Performance Indicators (KPIs)

To quantify performance within the four KPAs, a set of specific, measurable, achievable, relevant, and time-bound (SMART) **Main Performance Indicators (KPIs)** are defined. These KPIs are the primary tools used by the PFF Steering Committee (PFF-SC) and the PPP Committee (PPPC) to manage the Fund.

Table 10.1: PFF Main Performance Indicators (KPIs) and Targets

KPA	MAIN PERFORMANCE INDICATOR (KPI)	UNIT OF MEASURE	TARGET THRESHOLD (ILLUSTRATIVE)	STRATEGIC RATIONALE
1. Project Catalysis	Financial Close Rate (FCR)	Percentage (%)	Minimum 60% of all PFF-supported Window 1 projects achieve Financial Close within 48 months.	Measures the success rate of the PFF in converting early-stage ideas into bankable projects.
	Project Pipeline Acceleration	Time (Days)	Reduce the average time from TA appointment to Financial Close by 15% year-on-year.	Measures operational efficiency in project delivery and reduces transaction costs.
	Service Delivery Commencement	Count (Projects)	Minimum of 3 PFF-supported projects reaching Commercial Operation Date (COD) per fiscal year.	Verifies the ultimate public benefit delivery resulting from the Fund's intervention.
2. Financial Sustainability	Leverage Ratio (Private:PFF)	Ratio (X:1)	Minimum Private Investment to PFF Fund Disbursement Ratio of 5:1 (N5 private capital for every N1 of PFF funds).	Measures the PFF's effectiveness as a catalyst, maximizing private sector resource mobilization.
	Capital Recovery Rate	Percentage (%)	Minimum 85% of recoverable Window 1 advances recovered within 12 months of Financial Close.	Measures the efficiency of the PFF's revolving mechanism and fund health.
	Liquidity Ratio	Ratio	Maintain current assets to current liabilities ratio above 2.0.	Ensures the Fund can meet its short-term commitments (e.g., VGF disbursements) without delay.
3. Operational Efficiency	Application-to-Approval Cycle Time	Time (Working Days)	Maximum 45 working days from formal application submission to PPPC approval.	Measures administrative efficiency and responsiveness to Contracting Authorities (CAs).
	Procurement Cycle Time (TA)	Time (Days)	Maximum 90 calendar days from issuance of RFP to contract award for Transaction Advisors.	Measures the PFF's speed in securing essential advisory expertise (Window 1).
4. Fiduciary Compliance	External Audit Opinion	Rating	Consistently receive an unqualified ("clean") audit opinion annually.	Verifies the integrity of financial reporting and overall fiduciary governance.
	Uncorrected Audit Findings	Count	Zero high-risk uncorrected findings on internal controls at the close of the fiscal year.	Measures management's accountability and response to control weaknesses.
	Safeguard Compliance Rate	Percentage (%)	100% of high-risk (Category A) projects must have an approved ESMP/RAP prior to procurement.	Measures adherence to the mandatory Environmental and Social Safeguard requirements (Section 8.2).

10.3 Monitoring and Reporting Cycle

Performance monitoring is a continuous process executed by the PFF Secretariat, while reporting is a mandated, structured activity delivered to the Fund's governance bodies the PFF Steering Committee (PFF-SC) and the PPP Committee (PPPC) and external stakeholders.

10.3.1 Role of the PFF Secretariat

The PFF Secretariat is the operational custodian of the Monitoring and Evaluation (M&E) function. Its responsibilities include:

1. **Data Collection:** Systematically collecting and verifying data for all PFF-funded projects, ensuring its accuracy, reliability, and timeliness. This is achieved through the mandatory submission of Project Progress Reports from Contracting Authorities (CAs) and internal verification processes.
2. **Management Information System (MIS) Maintenance:** Ensuring that the Fund's MIS (Section 5.7) is the single, authoritative repository for all performance data, financial transactions, and project milestones. The MIS must be capable of generating real-time dashboards and reports against all mandated KPIs.
3. **Analysis and Interpretation:** The Secretariat must not only report raw data but also analyze trends, diagnose underperformance, and interpret the implications of these findings for the Fund's strategic direction.

10.3.2 Structured Reporting

Reporting is phased to match the governance cycle of the PFF:

- 1) **Quarterly Monitoring Report:** This report is the primary tool for operational oversight, focusing on the latest data for all KPIs. It includes a financial statement summary, a detailed tracking of the Project Pipeline (conversion rates, milestones achieved), and an update on all ongoing procurement processes. It is submitted by the Officer Administering the Fund (OAF) to the PFF-SC.
- 2) **Semi-Annual Performance Review:** This review is a comprehensive assessment submitted to the PPP Committee (PPPC). It synthesizes the quarterly reports, focuses on strategic KPIs (FCR, Leverage Ratio), and highlights any systemic operational or financial risks identified. The PPPC uses this report to inform policy adjustments and high-level decision-making.
- 3) **Annual Performance Report:** This is the most comprehensive, public-facing report, integrating the final annual financial statements (audited), a summary of the Fund's overall developmental impact, adherence to State-level planning objectives (CIP), and a detailed account of the utilization of funds across all four Support Windows. This report is submitted to the PPPC for final adoption and then publicly disclosed.

10.4 Independent Evaluation

Internal and external audits (Section 7) verify financial compliance, Independent Evaluation measures the PFF's long-term developmental impact and assesses its overall effectiveness in meeting its strategic objectives.

10.4.1 Mandate and Scope

The PFF is subject to a mandatory, independent evaluation conducted by an external, internationally recognized firm or agency at least once every five years. The selection of the evaluator must follow the PFF's stringent procurement rules (Section 6).

The scope of the Independent Evaluation includes:

1. **Impact Assessment:** Determining the degree to which PFF-supported projects have contributed to the State's infrastructure, economic growth, and social well-being, focusing on the benefits realized by the citizens of Jigawa State.

2. **Fund Effectiveness:** Evaluating the PFF’s efficiency as a financing mechanism, including a deep dive into the cost-effectiveness of its VGF grants and the effectiveness of the support provided under Window 1.
3. **Institutional Fitness:** Assessing the PFF’s overall organizational structure, governance arrangements, and capacity to deliver its mandate relative to international best practices for Project Facilitation Funds.
4. **Lessons Learned:** Identifying constraints, limitations, and main lessons that can be applied to improve the Fund’s design and operations, or to inform the creation of similar instruments in other sectors or jurisdictions.

10.4.2 Reporting and Follow-up

The findings of the Independent Evaluation Report are submitted simultaneously to the PPPC, the Jigawa State Ministry of Finance (JSMoF), and the State House of Assembly. Essentially, the PPPC must formally prepare and adopt a Management Action Plan (MAP) detailing how and when the main recommendations from the evaluation will be implemented. The PFF-SC is responsible for tracking the implementation of the MAP, ensuring the evaluation leads to tangible change.

10.5 Feedback and Adaptive Learning

The PFF is committed to a policy of Adaptive Learning, treating the monitoring and evaluation cycle not as a punitive measure but as an essential feedback mechanism to drive continuous improvement. This is the integration phase of the performance management framework.

10.5.1 Institutionalizing Feedback

The principle of Adaptive Learning is institutionalized through two main mechanisms:

1. **Quarterly Lessons Learned Sessions:** The PFF Secretariat holds mandatory internal sessions quarterly to review M&E findings, identify process bottlenecks (e.g., repeatedly delayed TA procurement), and propose immediate operational fixes.
2. **Annual Policy Review:** Findings from the Annual Performance Report and External Audit Management Letter are formally integrated into an annual review of the Governance and Operations Manual (GOM). Policy revisions are proposed to the PFF-SC and, if material, to the PPPC. For instance, if the Capital Recovery Rate (KPI 2) is consistently below target, the PPPC may mandate a revision of the Funding Agreement (FA) to strengthen the recovery clauses and enforcement mechanisms.

10.5.2 Project-Specific Learning

Every project supported by the PFF is treated as a case study. Upon Project Close, the CA is required to submit a Project Completion Report that includes a mandatory section on Wide Lessons Learned and Implications.

Table 10.1: Project-Specific Learning

LEARNING COMPONENT	FOCUS AREA	APPLICATION OF LEARNING
Limitations, Lessons Learned, and Recommendations (LLR)	Identifies what worked, what failed, and why.	Inform the next version of the GOM and standard templates (e.g., ToR for TAs).
Project Contributions Report	Details the actual costs, revenue streams, and risk allocations achieved versus planned.	Refine the PFF’s financial model for future VGF calculation and project structuring.
Final Project Performance Monitoring Plan	Tracks all main performance metrics (technical, financial, and E&S).	Helps the PFF Secretariat benchmark performance and set more realistic KPI targets in the future.

This systematic process ensures that knowledge gained from both project failures and successes is captured, documented, and applied to improve the quality of future PFF interventions.

10.6 Integration with State-Level Monitoring Systems

The PFF does not operate in a vacuum. Its performance data must be seamlessly integrated into the Jigawa State Government's broader fiscal management and planning systems to ensure maximum strategic relevance and fiscal oversight.

10.6.1 Link to the Comprehensive Development Framework (CIP)

The PFF's entire mandate is to support infrastructure and service delivery objectives outlined in the State's CIP.

1. **Strategic Alignment:** The PFF Secretariat ensures that the performance data for PFF-supported projects (e.g., the number of roads completed, megawatts of power generated) is mapped directly to the relevant sectorial goals and output targets of the CIP. This data allows the State Planning Commission to accurately report on the contribution of PPPs to overall developmental goals.
2. **Fiscal Planning Input:** The PFF's annual budget, projections for VGF requirements, and reporting on the Contingent Liability (CL) exposure (Window 4) must be formally submitted to the JSMoF. This ensures that the State's medium-term fiscal framework accurately accounts for the financial risks and expected capital flows associated with the PPP pipeline.

10.6.2 Integration via Management Information Systems (MIS)

The PFF's proprietary MIS must be designed to interface with the State's central financial and information systems:

1. **Fiscal Management Information System (FMIS):** The PFF's financial data must be integrated with the State's FMIS, ensuring that fund utilization, recoveries, and expenditures are classified using the State's Standard Chart of Accounts (SCOA) and are visible to the JSMoF for consolidated reporting.
2. **Contingent Liability Tracking:** Data on all new CLs guaranteed under Window 4 must be immediately transferred to the JSMoF's Fiscal Commitments and Contingent Liabilities (FCCL) tracking unit. This guarantees that the State's aggregate fiscal risk exposure is monitored centrally and accounted for in budget planning.

ANNEXURE 1:

TERMS OF REFERENCE FOR THE PROJECT FACILITATION FUND SECRETARIAT

The Project Facilitation Fund (PFF) Secretariat serves as the dedicated, technical, and administrative arm responsible for the day-to-day management, execution, and oversight of the Fund's operations. The Secretariat is the primary institutional entity tasked with translating the strategic policy directives of the Jigawa State PPP Committee (PPPC) and the operational guidelines of the PFF Steering Committee (PFF-SC) into tangible support for eligible Public-Private Partnership (PPP) projects across Jigawa State. This Terms of Reference (TOR) formally outlines the roles, duties, and responsibilities of the PFF Secretariat, which is managed by the Officer Administering the Fund (OAF) and includes the specialized functions of the Fund Manager, technical experts, and financial staff.

1. Role and Reporting Structure

1.1 Institutional Role

The PFF Secretariat is responsible for the overall operational integrity and fiduciary management of the Fund's resources. It acts as the central repository of project and financial information, the technical assessor of funding applications, and the enforcement unit for compliance and contractual terms.

1.2 Reporting and Accountability

The Secretariat, led by the Officer Administering the Fund (OAF), reports directly to the PFF Steering Committee (PFF-SC) for operational matters and to the Jigawa State PPP Committee (PPPC) for strategic policy direction, high-value approvals, and overall accountability. The Secretariat is also accountable to the State Ministry of Finance (JSMoF) for adherence to the State's fiscal regulations, including the Treasury Single Account (TSA) system.

2. Core Responsibilities by Support Window

The Secretariat's duties are distinct across the four PFF Support Windows, ensuring specialized support and robust control for each funding category:

PFF SUPPORT WINDOW	SECRETARIAT PRIMARY FUNCTION	MAIN DELIVERABLES and OUTPUTS
Window 1: Project Preparatory Costs	Technical and Procurement Executive: Leads the sourcing and execution of Transaction Advisor (TA) contracts; conducts rigorous technical assessment of feasibility studies; manages recovery of reimbursable advances.	Executed TA Contracts (QCBS); Certified Feasibility Study Reports; Recovered Window 1 advances upon Financial Close.
Window 2: Institutional Strengthening	Administrative and Capacity Development: Manages the internal operational budget; procures MIS systems and training services; manages the Secretariat's human resources and operational logistics.	Annual Work Plan and Budget; Functional Management Information System (MIS); Certified staff training reports.
Window 3: Viability Gap Funding (VGF)	Financial Assessment and Risk Mitigation: Rigorous scrutiny of financial models to verify the minimum VGF required; ensures maximum leveraging of private capital; manages the Contingent Liability (CL) reserve allocation.	VGF Verification Report; Disbursed funds strictly tied to Financial Close milestones; Allocation of CL Backstop reserve.
Window 4: Contingent Liability (CL) Backstop	Fiscal Tracking and Liability Management: Monitors the State's aggregate CL exposure; processes CL payment requests (payouts); manages the mechanism for potential recovery of payouts from the Contracting Authority (CA).	Comprehensive CL Tracking Database; Verified and Audited CL Payouts; Formalized transfer of CLs to JSMoF upon project completion or PFF Winding Up.

3. Detailed Scope of Work

The Secretariat's mandate is further detailed across five primary functional areas: Strategic Planning, Financial Management, Project Execution, Fiduciary Oversight, and Performance Management.

A. Strategic Planning and Business Management

The Secretariat serves as the primary engine for the Fund's strategic direction, ensuring its long-term viability and alignment with State priorities.

1. **Strategic Business Plan (SBP) Development:** Develop and propose the rolling Strategic Business Plan (typically a ten-year horizon) for formal endorsement by the PFF-SC and final approval by the PPPC. The SBP shall articulate the long-term vision, strategic objectives, and financial projections of the Fund.
2. **Annual Planning and Budgeting:** Derive a detailed Annual Work Plan from the SBP, specifying priorities, main activities, and targeted outputs for the fiscal year. Prepare the corresponding Annual Budget, submitting it to the JSMoF, ensuring that budgetary allocations are strategically aligned with the Fund's objectives.

3. **Resource Mobilization:** Proactively engage with Development Partners (DPs) and other financial institutions to secure additional capital for the PFF, specifically negotiating for the maximization of unrestricted funds to ensure operational flexibility.
4. **Policy Interpretation:** Interpret and apply the PFF's Financing Policy, clearly distinguishing between Restricted, Unrestricted, and Designated Funds, and ensuring strict compliance with all associated legal covenants.

B. Project Application and Funding Agreement Management

The Secretariat manages the formalized, multi-staged process for allocating PFF resources, ensuring objectivity and adherence to technical and financial standards.

1. **Application Screening:** Conduct an immediate preliminary review (Screening) of all applications from Contracting Authorities (CAs) to verify completeness, eligibility (CA status, project type), and strategic alignment with the PFF Business Plan. Provide formal feedback to CAs on incomplete or ineligible submissions.
2. **Detailed Assessment:** Lead the rigorous Detailed Assessment phase, employing the PFF Secretariat's technical, financial, and legal teams to evaluate the project's technical viability, the justification for the requested support (VGF or preparatory funds), and the overall developmental impact, ensuring Value for Money (VFM).
3. **Formal Recommendation:** Prepare and submit a concise, evidenced-based Funding Recommendation for review by the PFF-SC and final approval by the PPPC, based on the assessment findings and applicable financial thresholds.
4. **Funding Agreement (FA) Execution:** Draft and negotiate the legally binding Funding Agreement (FA) with the CA, formalizing the quantum, eligible expenditures, Disbursement-Linked Indicators (DLIs), reporting obligations, and specific repayment terms (for Windows 1 and 4). Ensure mandatory legal vetting by the State Ministry of Justice prior to execution by the OAF.

C. Fiduciary and Operational Management

The Secretariat acts as the Fund's fiscal custodian, ensuring timely, compliant, and documented utilization of all funds.

1. **Fund Disbursement:** Manage the entire disbursement procedure: verify the achievement of Conditions Precedent to Disbursement (CPDs) and DLIs, confirm that expenditure is eligible under the FA, and process the final Payment Recommendation. Ensure disbursement is strictly Performance-Based (PBD).
2. **Accounting and Record-Keeping:** Maintain the official accounting records of the PFF in the Management Information System (MIS), ensuring full compliance with the accrual-based International Public Sector Accounting Standards (IPSAS) and the Jigawa State Standard Chart of Accounts (SCOA).
3. **Disbursement Tracking:** Continuously track financial utilization against approved budgets, linking financial outlays to physical progress and compliance with FA terms (Section 5.7).
4. **Procurement Execution:** Directly manage all procurement processes for the engagement of consultants, Transaction Advisors (TAs), and institutional goods/services (Window 2). This includes developing ToR, administering the Quality and Cost-Based Selection (QCBS) method for TAs, and maintaining full, auditable procurement files (Section 6.6).
5. **Contract Management Oversight:** Provide technical support and oversight to CAs acting as Contract Managers, ensuring the quality of deliverables and verifying the final certification of milestone completion prior to authorizing payment.

D. Oversight, Audit, and Compliance

The Secretariat implements the Fund's controls and acts as the interface for all internal and external oversight functions, upholding the PFF's integrity mandate.

1. **Internal Control Enforcement:** Enforce the Internal Control Framework (ICF), particularly the mandatory Segregation of Duties (SoD), dual authorization for high-value transactions, and monthly bank reconciliation (Section 7.1).
2. **Liaison with Audit and Risk Sub-Committee (ARSC):** Serve as the operational liaison for the ARSC, coordinating the Annual Internal Audit Work Plan, providing requested documentation, and managing the implementation of all corrective actions arising from audit findings (Section 7.2).
3. **Anti-Corruption and Due Diligence:** Conduct mandatory integrity checks and enhanced due diligence on all applicants and partners. Enforce the **Zero-Tolerance Anti-Fraud and Anti-Corruption Policy** (Section 8.1), initiating formal investigations into suspected Prohibited Practices under the direction of the ARSC.
4. **Safeguard Compliance Certification:** Review and formally certify the adequacy and compliance of all mandatory Environmental and Social Safeguard documentation (ESIA/RAP/ESMP) for PFF-supported projects before authorizing the commencement of procurement or the release of VGF funds (Section 8.2).
5. **Legal and Statutory Compliance:** Ensure continuous adherence to the Jigawa State PPP Law, the State Public Procurement Law, and all specific legal covenants stipulated in any Development Partner Financing Agreements.

E. Performance Management and Institutional Learning

The Secretariat is responsible for measuring the Fund's impact and facilitating a policy of continuous improvement and adaptive learning.

1. **KPI Tracking:** Implement the Fund Performance Management Framework (Section 10), continuously collecting and verifying data against all mandated Main Performance Indicators (KPIs) across the four Main Performance Areas (Project Catalysis, Financial Sustainability, Operational Efficiency, and Fiduciary Compliance).

2. **Reporting:** Generate and submit the mandatory Quarterly Monitoring Reports, the Semi-Annual Performance Review, and the comprehensive Annual Performance Report to the PFF-SC and PPPC, providing actionable analysis of fund performance and strategic recommendations.
3. **Adaptive Learning:** Conduct internal Lessons Learned Sessions and formally integrate feedback and recommendations from External Audit Management Letters and Independent Evaluation Reports into proposed revisions of the PFF's Governance and Operations Manual (GOM) and standard operating procedures (Section 10.5).
4. **State-Level Integration:** Ensure that all PFF performance data (financial commitments, CL exposure, and project outputs) is seamlessly integrated with the JSMoF's Fiscal Management Information System (FMIS) and the State's Comprehensive Development Framework (CIP) monitoring system, ensuring accountability and accurate state-level reporting (Section 10.6).

4. Institutional Transition Responsibilities

In the extraordinary event that the PFF is formally wound up by the Jigawa State House of Assembly (Section 9), the PFF Secretariat retains specific, essential responsibilities until the point of final dissolution:

1. **Winding Up Committee (WUC) Support:** Provide all necessary technical, financial, and administrative support to the Winding Up Committee.
2. **Commitment Settlement:** Lead the review and formal settlement of all active contracts and the transfer of outstanding financial commitments, particularly the valuation and formal transfer of the entire portfolio of Contingent Liabilities (CLs) to the Jigawa State Ministry of Finance (JSMoF).
3. **Recovery and Asset Disposal:** Aggressively pursue the recovery of all outstanding recoverable advances (Window 1) and manage the disposal of the Secretariat's assets according to State rules, ensuring the final net balance is transferred to the State Consolidated Revenue Fund (CRF).
4. **Archiving:** Oversee the complete and meticulous archiving and transfer of all project, procurement, and financial documentation to the designated successor agencies (JSMoF, BPP, etc.) for statutory retention, ensuring a full audit trail remains accessible (Section 9.4).

APPENDIX 2:

SAMPLE PROJECT FACILITATION FUNDING AGREEMENT

The Funding Agreement (FA) is the single most important legal document governing the relationship between the PFF and the Contracting Authority (CA). It formalizes the terms under which financial support is provided and acts as the primary mechanism for enforcing the PFF's fiduciary, performance, and integrity standards.

PROJECT FACILITATION FUNDING AGREEMENT TEMPLATE

AGREEMENT NO.: [PFF/FA/YY/NNN]

DATE: [Day] [Month] [Year]

PARTIES:

1. **THE PROJECT FACILITATION FUND (PFF)**, acting through the Officer Administering the Fund (OAF), whose office is located at [Address of InvestJigawa/PFF Secretariat], Jigawa State (the "Fund").
2. **THE CONTRACTING AUTHORITY (CA):** [Full Name of Ministry/Department/Agency], acting through its Head of Authority, [Name and Title], whose office is located at [CA Address], Jigawa State (the "Recipient").

PREAMBLE:

WHEREAS, the Recipient has applied for financial support from the Fund under **Window [Specify 1, 3, or 4]** of the PFF to facilitate the [Specify PPP Project Name];

WHEREAS, the Fund has, based on the approval of the [PFF-SC/PPPC], agreed to provide funding to the Recipient subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I: FUNDING DETAILS AND PURPOSE

CLAUSE	DESCRIPTION	DETAIL
1.1	Approved Funding Window	Window [1 / 3 / 4]: [Specify purpose, e.g., Project Preparatory Costs or Viability Gap Funding]
1.2	Total Approved Amount	Naira (NGN) [Amount in Figures] (Naira in Words)
1.3	Purpose of Funds	Strictly for the funding of [Specify approved eligible expenditures, e.g., Transaction Advisory services, detailed feasibility study, or direct VGF grant] as per the approved application dated [Date].
1.4	Reimbursable Nature	[Select One]: This is a Reimbursable Advance (Window 1) , repayable upon the Financial Close of the PPP Project. OR This is a Non-Reimbursable Grant (Window 3) .

ARTICLE II: DISBURSEMENT CONDITIONS AND MECHANISM

2.1 Conditions Precedent to First Disbursement (CPDs): No disbursement shall be made until the following conditions are met and certified by the PFF Secretariat:

- Formal execution of this Funding Agreement by both Parties.
- Submission of proof of CA's commitment of its required co-financing (if applicable).
- For Window 1: Formal execution of the contract with the selected Transaction Advisor (TA).

2.2 Disbursement-Linked Indicators (DLIs) and Schedule: Disbursements shall be made in tranches against the satisfactory achievement of the following DLIs, as verified by the PFF Secretariat:

TRANCHE NO.	AMOUNT (NGN)	DISBURSEMENT-LINKED INDICATOR (DLI) / MILESTONE	DATE OF COMPLETION (ESTIMATED)
1 (Initial)	[Amount]	Certification of [e.g., Inception Report/TA mobilization]	[Date]
2	[Amount]	Formal approval of [e.g., Financial Model by CA/PPPC]	[Date]
3 (Final)	[Amount]	Final delivery of [e.g., Bid Evaluation Report/Financial Close]	[Date]

ARTICLE III: FIDUCIARY AND COMPLIANCE OBLIGATIONS

3.1 Fiduciary Management: The Recipient shall ensure that all funds are:

- a. Maintained in a dedicated project account subject to State fiscal regulations (TSA compliance).
- b. Utilized only for the eligible expenditures specified in Clause 1.3.

3.2 Anti-Fraud and Anti-Corruption: The Recipient explicitly incorporates the PFF’s Anti-Fraud, Corruption and Safeguards Charter into this Agreement. The Recipient grants the Fund and the State Auditor-General the absolute right to audit all project-related records for up to seven years after the project is commissioned.

3.3 Safeguard Compliance: For projects classified as Category A or B, the Recipient confirms that an approved Environmental and Social Management Plan (ESMP) and Resettlement Action Plan (RAP) are in place and undertakes to implement all mandatory safeguard measures.

ARTICLE IV: RECOVERY AND EVENT OF DEFAULT

4.1 Recovery of Advance (Applicable to Window 1 and 4): The Recipient shall ensure the repayment of the Window 1 advance from the private partner upon Financial Close, within 90 days, failing which the Fund may demand repayment directly from the Recipient’s subsequent budget appropriation.

4.2 Event of Default: An Event of Default shall include, but not be limited to:

- a. Persistent material failure to achieve DLIs as scheduled.
- b. Utilization of PFF funds for purposes other than those specified in Clause 1.3.
- c. Any confirmed act of Prohibited Practice (Fraud, Corruption, Collusion, etc.) by the Recipient or its agents.
- d. Material breach of the mandatory Safeguard requirements.

4.3 Consequences of Default: Upon the occurrence of an Event of Default, the Fund may, at its sole discretion:

- a. Immediately suspend all further disbursements.
- b. Demand the immediate repayment of all previously disbursed, unreimbursed funds.
- c. Refer the matter to the PPPC for formal sanction and/or debarment.

ARTICLE V: REPRESENTATIONS, WARRANTIES, AND GOVERNING LAW

5.1 Governing Law: This Agreement shall be governed by and construed in accordance with the Laws of Jigawa State, Federal Republic of Nigeria, and the Jigawa State PPP Law.

5.2 Dispute Resolution: Disputes arising from this Agreement shall be resolved through negotiation, failing which they shall be referred to mediation/arbitration in Jigawa State.

IN WITNESS WHEREOF, the Parties hereto have caused this Funding Agreement to be executed by their duly authorized representatives on the date first written above.

FOR THE PROJECT FACILITATION FUND (PFF)	FOR THE CONTRACTING AUTHORITY (CA)
Name: [Name of OAF]	Name: [Name of CA Head]
Title: Officer Administering the Fund	Title: Head of [Name of MDA]
Signature:	Signature:
Date:	Date:

APPENDIX 3:

SAMPLE PROJECT FACILITATION FUND (PFF) APPLICATION FORM TEMPLATE

This template guides Contracting Authorities (CAs) in submitting a complete application for PFF support, ensuring all mandatory eligibility and documentation requirements are met prior to formal assessment.

PROJECT FACILITATION FUND APPLICATION FORM TEMPLATE

SECTION 1: APPLICANT AND PROJECT IDENTIFICATION

FIELD	DETAIL REQUIRED	VERIFICATION CHECK (SECRETARIAT USE ONLY)
1.1 Applicant Name	Full name of the Contracting Authority (MDA/LGA).	CA Status Verified? Y/N
1.2 Project Title	Full name of the proposed PPP Project.	
1.3 PFF Support Window	Window [1 / 3 / 4] (Select one. Separate forms required for multiple windows).	Window Eligibility Checked? Y/N
1.4 Total Estimated Project Value	Estimated Capital Expenditure (CAPEX) in NGN.	
1.5 CA Project Manager	Name, Title, Email, and Phone Number of the CA's dedicated contact person.	
1.6 Alignment with CIP	State the specific sector and objective in the State's Comprehensive Development Framework (CIP) the project addresses.	Alignment Confirmed? Y/N

SECTION 2: PROJECT DESCRIPTION AND STAGE

FIELD	DETAIL REQUIRED
2.1 Project Sector	E.g., Power, Transportation (Roads), Water, Health, Education, Housing.
2.2 Project Rationale	Detailed explanation of the market gap or public need the project addresses.
2.3 PPP Model Proposed	E.g., Concession, BOT (Build-Operate-Transfer), Lease, etc.
2.4 Current Project Stage	E.g., Concept Note, Outline Business Case (OBC) completed, Procurement Stage.
2.5 Status of E&S Safeguards	E.g., E&S Screening completed, ESIA ongoing, RAP required. (Mandatory for all projects).

SECTION 3: FINANCIAL REQUIREMENTS (SPECIFIC TO WINDOWS)

A. Window 1 (Project Preparatory Costs - Reimbursable Advance)

FIELD	DETAIL REQUIRED
3.1 Amount of PFF Advance Requested	NGN [Amount]
3.2 Breakdown of Costs (Attach separate budget)	E.g., Transaction Advisory Fees (Legal, Financial, Technical); Feasibility Study Costs; ESIA/RAP Preparation Costs.
3.3 repayment source	Source of repayment upon financial close (e.g., successful bidder's premium or ca's budget).
3.4 Expected Date of Financial Close	[Date]

B. Window 3 (Viability Gap Funding - Non-Reimbursable Grant)

FIELD	DETAIL REQUIRED
3.5 Final Project Cost (CAPEX)	NGN [Amount]
3.6 Required Equity Internal Rate of Return (IRR)	[Percentage %]
3.7 Funding Gap Justification	Explain why the project is commercially unviable without the grant (attach Financial Model showing sensitivity analysis).
3.8 Amount of VGF Requested	NGN [Amount] (Must be the minimum required to achieve viability).
3.9 Private Sector Capital Mobilized	Total Private Equity and Debt mobilized by the VGF (Expected Private:PFF Leverage Ratio).

SECTION 4: MANDATORY SUPPORTING DOCUMENTATION CHECKLIST

The application will be rejected at the Screening stage if any mandatory documents are missing.

DOCUMENT	WINDOW 1 REQUIRED	WINDOW 3 REQUIRED
Formal Resolution/Approval from CA Head	MANDATORY	MANDATORY
Project Concept Note / Outline Business Case (OBC)	MANDATORY	MANDATORY
Detailed Terms of Reference (ToR) for Advisory Services	MANDATORY	N/A
Detailed Feasibility Study (Technical/Commercial/Financial)	Preferred (if available)	MANDATORY

Detailed Financial Model (showing funding gap)	N/A	MANDATORY
Draft Project Agreement / PPP Contract	N/A	MANDATORY
Environmental and Social Screening Report	MANDATORY	MANDATORY

SECTION 5: DECLARATION AND AUTHORIZATION

I, the undersigned, hereby declare that the information contained in this Application and the supporting documents is true and correct. I confirm that the Contracting Authority adheres to the PFF's Anti-Fraud, Corruption and Safeguards Charter and understands that any misrepresentation will lead to the suspension or termination of funding.

Head of Contracting Authority

Name:

Signature and Stamp:

Date:

APPENDIX 4

: SAMPLE PROJECT EVALUATION AND SCORING TEMPLATE

This template is used by the PFF Secretariat's technical team and reviewed by the PFF-SC during the Detailed Assessment phase (Section 5.4.3) to ensure an objective, multi-criteria evaluation of all funding applications, based on criteria relevant to the PFF's strategic KPIs (Section 10.2).

PROJECT EVALUATION AND SCORING TEMPLATE

PROJECT TITLE: [Project Name]

APPLICANT (CA): [CA Name]

PFF WINDOW: [Window 1 / 3 / 4]

EVALUATION DATE: [Date]

PART A: COMPLIANCE AND THRESHOLD CHECK (Pass/Fail)

CRITERION	MANDATORY CONDITION	RESULT (PASS/FAIL)	NOTES
A1. Eligibility	Applicant is a formally recognized Contracting Authority (MDA).		
A2. Completeness	All mandatory documents (Section 4 of Application) are attached and valid.		
A3. Legal Viability	Project complies with Jigawa State PPP Law (Legal Review Completed).		
OVERALL THRESHOLD STATUS		[PASS / FAIL]	(If FAIL, assessment stops here)

PART B: SCORING CRITERIA (Maximum Score: 100 Points)

KPA 1: Project Catalysis and Developmental Impact (Max 40 Points)

INDICATOR	SCORING RATIONALE	MAX POINTS	SCORE AWARDED
B1.1 Strategic Alignment	Alignment with Jigawa State CIP and State infrastructure priorities. (High/Medium/Low)	10	
B1.2 Developmental Impact	Potential for economic growth, job creation, and social outcomes (e.g., access to water/health).	15	
B1.3 Technical Viability	Rigor and clarity of the technical solution and its feasibility (from feasibility study).	15	

KPA 2: Financial Sustainability and Fund Efficiency (Max 40 Points)

INDICATOR	SCORING RATIONALE	MAX POINTS	SCORE AWARDED
B2.1 VFM/Leverage (Window 3)	Ratio of Private Capital mobilized to PFF funding requested (KPI 10.2). <i>Higher Ratio = Higher Score.</i>	20	
B2.2 Financial Risk Assessment	Project's capacity to repay/be self-sustaining; robustness of revenue projections.	10	
B2.3 Cost Estimate Justification (Window 1)	Reasonableness and market comparability of preparatory cost estimates (TA fees, studies).	10	

KPA 3: Institutional Readiness and Safeguards (Max 20 Points)

INDICATOR	SCORING RATIONALE	MAX POINTS	SCORE AWARDED
B3.1 CA Readiness	Evidence of dedicated CA resources (staff, budget) and institutional commitment to the PPP.	10	
B3.2 Safeguard Compliance	Clarity and completeness of E&S Screening; existence of a dedicated Project-Level Grievance Redress Mechanism (GRM).	10	

PART C: FINAL RECOMMENDATION

FIELD	DETAIL
C1. Total Numerical Score	[Total Score / 100]
C2. Required Support Level	[High / Medium / Low] (Based on VGF/Advance requested amount).
C3. Evaluator Comments	Detailed justification for the score, outlining any major risks or required conditions to be included in the Funding Agreement.
C4. Recommendation	[Recommended for Approval / Recommended with Conditions / Recommended for Rejection]

EVALUATORS' CERTIFICATION

NAME	TITLE	SIGNATURE	DATE
	PFF Financial Analyst		
	PFF Technical Specialist		
	PFF Legal Counsel		

APPENDIX 5:

SAMPLE ANNUAL REPORT TEMPLATE

The Annual Report provides a consolidated, transparent overview of the PFF's performance for the preceding fiscal year, integrating the results of all support windows against the strategic KPIs and providing necessary accountability to the PPPC, JSMoF, and the public (Sections 7.3 and 10.3).

PROJECT FACILITATION FUND (PFF) ANNUAL REPORT TEMPLATE

FOR THE FISCAL YEAR ENDED: [Date, e.g., December 31, 20XX]

I. EXECUTIVE SUMMARY (OAF's Statement)

- Brief overview of the PFF's strategic achievements for the year.
- Summary of main financial results (disbursements, recoveries, net assets).
- Summary of overall compliance and audit outcome (clean or qualified opinion).
- Main challenges encountered and corrective actions taken.

II. PFF GOVERNANCE AND INSTITUTIONAL HEALTH

- **2.1 PPPC and PFF-SC Activities:** Number of meetings held, main policy decisions made (e.g., policy revisions, approval of SBP).
- **2.2 Secretariat Operational Efficiency (KPI 10.2):** Report on the **Application-to-Approval Cycle Time** and **Procurement Cycle Time (TA)** against targets.
- **2.3 Human Resources and Training (Window 2):** Summary of institutional strengthening activities (training sessions held, MIS system upgrades, capacity gaps addressed).

III. FINANCIAL PERFORMANCE AND SUSTAINABILITY

- **3.1 Audited Financial Statements:**
 - Statement of Financial Position (Balance Sheet) compliant with **IPSAS**.
 - Statement of Financial Performance (Income Statement).
 - Cash Flow Statement.
- **3.2 Fund Health and Sustainability (KPI 10.2):**
 - **Capital Recovery Rate:** Percentage of Window 1 advances recovered during the year.
 - **Total Fund Balance and Liquidity:** Analysis of unrestricted vs. restricted funds.
- **3.3 Contingent Liability (CL) Portfolio (Window 4):**
 - Summary of the State's aggregate CL exposure backed by the PFF.
 - Details of any CL payouts made during the year, justification, and recovery status.

IV. PROJECT PIPELINE AND DEVELOPMENTAL IMPACT (KPA 1)

- **4.1 Pipeline Status Summary:** Tabular summary of all PFF-supported projects by sector (Transport, Energy, Water, etc.), including:
 - Project name, support window used, total PFF funds committed.
 - Current Status (Concept, Preparation, Procurement, Financial Close).
- **4.2 Project Catalysis Performance:**
 - **Financial Close Rate (FCR):** Report on the percentage of PFF-supported projects that achieved Financial Close during the year (KPI 10.2).
 - **Leverage Ratio (KPI 10.2):** Total Private Capital Mobilized (Equity + Debt) vs. PFF Disbursed Funds (Total Leverage Ratio).
 - **Project Outputs:** Quantifiable outputs (e.g., KM of road constructed, Megawatts of power added) linked to the State's CIP.

V. FIDUCIARY COMPLIANCE AND INTEGRITY (KPA 4)

- **5.1 External Audit Outcome:** Presentation of the External Auditor's Opinion and the **Management Letter** findings (Section 7.3).
- **5.2 Management's Response:** Detailed report on the implementation status of corrective actions for all prior and current audit findings (KPI: Zero high-risk uncorrected findings).
- **5.3 Procurement Compliance:** Summary of major procurement activities (TA contracts awarded), confirming compliance with the State Public Procurement Law and the use of the QCBS method (Section 6).
- **5.4 Anti-Corruption and Safeguards (Section 8):**
 - Report on any confirmed cases of fraud or financial irregularity and the associated enforcement actions (sanctions, recovery).
 - Status of E&S Safeguard Compliance (e.g., number of RAPs approved, GRMs established) for all ongoing projects.

VI. MONITORING, LEARNING, AND RECOMMENDATIONS

- **6.1 Lessons Learned and Adaptive Policy:** Summary of main insights from project failures/successes during the year. Recommendations for policy changes to the GOM, Financing Policy, or Application Process (Section 10.5).
- **6.2 Future Outlook:** Main priorities and major expected commitments for the upcoming fiscal year, aligned with the rolling Strategic Business Plan.
- **6.3 Integration with State Systems:** Confirmation of data submission to JSMoF (FCCL tracking) and the State Planning Commission (CIP monitoring).



DIRECTORATE OF COUNCIL AFFAIRS

JIGAWA STATE

Office of the Secretary to the State Govt.

P.M.B. 3511

Dutse,

Jigawa State

Email: councilaffs@jigawastate.gov.ng

9th Kajah, 1447A11

**In case of Reply
Please quote the Ref. No**

Ref No: **CONC/39/2025**

Date: **29th December, 2025**

The Honourable Commissioner,
Ministry of Finance,
Dutse, Jigawa State.

**EXECUTIVE COUNCIL APPROVAL FOR PROJECT FACILITATION FUND
GOVERNANCE, REGULATION AND BUSINESS PLAN.**

The State Executive Council at its sitting held on Wednesday, 24th December, 2025, **DELIBERATED** on the Memorandum presented by you seeking approval for the following:-

- i) Project Facilitation Fund (PFF) Governance Rules and Operational Manual
 - ii) Business and Financial Plan
 - iii) Project Facilitation fund Regulations
- 2/ The Council **CONSIDERED** the Memorandum and **NOTED** that the Jigawa Project Facilitation Fund Implementation documents had been developed according to the requirement of the SABER programme.
- 3/ The Council **APPROVED** all the three (3) Project Facilitation Fund implementation documents and guides.
- 4/ This letter is copied to the Director General, Jigawa State Investment Promotion Agency, and the Principal Private Secretary for information and necessary action.
- 5/ Best regards.


BELLO DATTI,
PERMANENT SECRETARY (CA&SSD),
FOR: SECRETARY TO THE STATE GOVERNMENT.