

ZAMFARA REGULATION FOR THE ESTABLISHMENT AND OPERATION OF THE STATE PROJECT FACILITATION FUND (PFF)

Arrangement of Regulations

Preamble

1. Short Title and Commencement
2. Definitions and Interpretations
3. Legal Authority for the Regulation
4. Objectives of the Regulation
5. Application and Scope
6. Guiding Principles

Part II: Establishment and Domicile of the Project Facilitation Fund

7. Establishment of the Project Facilitation Fund
8. Domicile of the Fund
9. Purpose of the Fund
10. Fund Duration and Continuity

Part III: Fund Management Structure

11. Fund Management Committee
12. Appointment and Tenure of the Members of the Fund Management Committee
13. Functions of the Fund Management Committee
14. Establishment of Sub- Committees
15. Appointment of the Officer Administering the Fund
16. Functions of the Officer Administering the Fund
17. PFF Secretariat

Part IV: Eligibility and Application

18. Funding Windows
19. Eligible Projects and Activities
20. Exclusions

21. Prioritisation Criteria
22. Application and Approval Process
23. Funding Agreement
24. Monitoring, Evaluation, and Learning (MEL)

Part V: Financial Provisions and Fund Flow

25. Accounts of the Fund
26. Capitalisation of the Fund and Replenishment
27. Payment into the Fund
28. Withdrawal from the Fund
29. Budgeting, Accounting and Reporting
30. Audit
31. Financial and Procurement Regulations

Part VI: Risk Management and Safeguards

32. Risk Mitigation Measures
33. Environmental and Social Safeguards
34. Anti-Corruption and Fiduciary Requirements

Part VII: Miscellaneous Provisions

35. Amendments to the Regulation
36. Transitional and Savings Provisions
37. Issuance of Governance and Operations Manual
38. Citation of Precedent Laws

Commencement: 12 of September, 2025

Preamble

1. Short Title and Commencement

This Regulation may be cited as the **Zamfara State Project Facilitation Fund (PFF) Regulations, 2025**, and shall come into effect on the 12 day of September, 2025 following their approval by the **Board of the Zamfara Investment Promotion Agency (ZIPA)** and publication in the **Zamfara State Gazette**.

2. Definitions and Interpretation

In this Regulation, unless the context otherwise requires

- a. **“Agency”** means the Zamfara Investment Promotion Agency responsible for administering the Project Facilitation Fund;
- b. **“Contracting Authority”** means any Ministry, Department, Agency, State-Owned Enterprise (SOE), Special Purpose Vehicle (SPV), or other legally authorised entity of the State Government responsible for the identification, preparation, procurement, implementation, or management of a public infrastructure or public-private partnership project. It is the institution that enters into the PPP agreement with the private partner and is responsible for ensuring project preparation, compliance with PPP procedures, performance monitoring, and delivery of services throughout the project lifecycle.
- c. **“Eligible Project”** means any public infrastructure or public-private partnership project that meets the criteria defined under Part IV;
- d. **“Funding Agreement”** means the legally binding agreement entered between the Host Institution (or the Agency administering the Fund) and a beneficiary Contracting Authority, which sets out the terms and conditions under which financial support is disbursed from the Project Facilitation Fund (PFF).
- e. **“Fund Management Committee”** means the body constituted under Part III of this Regulation to oversee the management and strategic direction of the Fund;
- f. **“Governor”** means the Executive Governor of [Insert State Name]
- g. **“Host institution”** means the **Zamfara Investment Promotion Agency (ZIPA)**, established under the Zamfara Investment Promotion Agency Law, 2023, within which the Fund is domiciled and through which the Secretariat operates.
- h. **“Implementing Authorities”** means the Ministries, Departments, Agencies, State-Owned Enterprises, Special Purpose Vehicles, or any other duly authorised entities of the State Government responsible for the execution, coordination, and oversight of activities financed under the Fund, including procurement, technical supervision, safeguards implementation, financial accountability, and reporting obligations in line with the approved Funding Agreement and applicable State laws and regulations;

- i. **“Ministry, Department, or Agency (MDA)”** means any entity of the State Government authorised to develop or implement public projects;
- j. **“PFF Secretariat”** means the technical and administrative support unit established under Part III to manage day-to-day operations of the Fund, including processing funding applications, contract management, financial administration, and performance reporting.
- k. **“Project Facilitation Fund”** means the dedicated financing mechanism established under this Regulation to support project preparation, viability enhancement, and contingent liability management to advance public infrastructure and PPP projects to investment readiness;
- l. **“Project Preparation”** includes pre-feasibility studies, feasibility studies, environmental and social assessments, transaction advisory services, and related due diligence;
- m. **“Public Private Partnership (PPPS)”** Public-Private Partnership (PPP)” means a contractual arrangement between a public authority and one or more private sector entities for the design, financing, construction, operation, and/or maintenance of infrastructure or public assets, in which significant project risks and rewards are allocated to the private party for a defined period and as defined under the **Zamfara Investment Promotion Agency Law, 2023**, the **Zamfara State PPP Policy, 2020** and the **Zamfara State PPP Manual, 2020**, or any law, policy or manual amending or replacing them.
- n. **“State”** means the Government of Zamfara State.
- o. **“Transaction Adviser”** means an individual consultant, consulting firm, or consortium engaged to provide specialised technical, financial, legal, commercial, or environmental and social advisory services, or any related support for the development, structuring, procurement, and/or financial close of a Public-Private Partnership (PPP) or other private sector participation project, including support in feasibility studies, project documentation, market sounding, negotiations, and preparation of transaction agreements.
- p. **“Transaction Advisory Services”** include legal, financial, technical, and commercial services required to structure, negotiate, and close a PPP or investment transaction;
- q. **“Viability Gap Financing (VGF)”** means targeted financial support provided to improve the commercial viability of a project by covering part of the capital or preparatory costs;

3. Legal Authority for the Regulation

This Regulation is issued pursuant to the powers conferred on the **Zamfara Investment Promotion Agency (ZIPA)** pursuant to the powers conferred on it under **Sections 3 and 5(a) and (b) of the Zamfara State Project Facilitation Fund Executive Order No. 05, 2025 (Z.S.L.N. No. 03, 2025)**, the **Zamfara Investment Promotion Agency Law, 2023**, and all other powers enabling it in that behalf. These Regulations provide the legal and institutional framework for the establishment, operation and administration of the Zamfara State Project Facilitation Fund.

4. Objectives of the Regulation

The objectives of this Regulation are to -

- (a) establish a transparent, efficient and well-governed mechanism for the origination, preparation, evaluation and advancement of bankable, investment-ready public infrastructure and PPP projects aligned with the economic priorities of Zamfara State;
- (b) provide financial and technical support for early-stage project development activities, including project identification, feasibility studies, business case development, technical assessments, transaction structuring, legal and financial due diligence, regulatory compliance support and investment promotion;
- (c) support the Zamfara Investment Promotion Agency and Contracting Authorities in developing and managing a pipeline of bankable projects across agriculture, mining, infrastructure, logistics, services and other productive sectors;
- (d) enable, where permitted by law and subject to available resources, targeted post-award interventions, including Viability Gap Funding and contingent liability liquidity support, to improve the bankability of socially desirable PPP projects;
- (e) strengthen the capacity of Contracting Authorities and relevant MDAs to originate, prepare, procure and implement viable PPP and investment projects;
- (f) remove barriers to investment by funding interventions that improve the ease of doing business, regulatory reform, investor aftercare and public-private sector coordination;
- (g) promote private sector participation by de-risking early-stage project development and catalysing sustainable private investment in Zamfara State;

5. Application and Scope

This Regulation shall apply to:

- (a) all Contracting Authorities, including Ministries, Departments and Agencies (MDAs) of the Zamfara State Government, seeking financial or technical assistance from the Fund;
- (b) the PFF Secretariat, in respect of support for its operations under these Regulations;
- (c) Project Companies, in respect of Viability Gap Funding and related support provided in accordance with these Regulations;
- (d) PPP and investment projects identified in the Zamfara State Development Plan, the Zamfara State Infrastructure Master Plan, the Medium-Term Expenditure Framework, or any other Government-approved plan or programme, or their successors, and included in the PPP project pipeline approved by the Board of the Zamfara Investment Promotion Agency; and

(e) eligible preparatory, development and, where permitted by law, implementation activities undertaken to improve the quality, bankability and successful delivery of such projects.

(2) These Regulations shall not apply to fiscal commitments and contingent liabilities arising from projects, lease contracts or joint ventures entered into by a Contracting Authority before the Zamfara State PPP framework was adopted.

6. Guiding Principles

The administration and utilisation of the Project Facilitation Fund shall be governed by the following principles:

(a) **Transparency and Accountability:** All allocations, disbursements and reporting under the Fund shall be conducted in an open and auditable manner. The Agency shall maintain adequate records, publish periodic reports, and publicly disclose non-confidential information relating to Fund inflows, Fund management, funding applications, appraisal and approval decisions, disbursements and risk management. The Fund shall be subject to internal and external audit in accordance with the PFF Financial Management Manual and the PFF Audit Manual.

(b) **Value for Money:** Fund resources shall be deployed only for projects and activities that demonstrate clear economic, social and financial benefits, as established through Economic Cost Benefit Analysis, Value for Money and affordability assessments conducted in accordance with the Zamfara State PPP Manual.

(c) **Fairness and Objectivity:** Eligible funding applications shall be considered on a first-come, first-served basis and prioritised using objective criteria set out in these Regulations, free from undue influence or political interference.

(d) **Environmental and Social Safeguards:** All projects and activities supported by the Fund shall be screened, appraised and monitored for compliance with applicable Nigerian federal and Zamfara State laws and regulations, the World Bank Performance Standards and the World Bank Group Environmental, Health and Safety Guidelines. Project selection shall consider human rights, gender and social inclusion, equitable geographic distribution, and climate and environmental responsibility. Projects that avoid or minimise land acquisition and resettlement shall be promoted. Where these are unavoidable, affected persons shall be compensated and their livelihoods restored.

(e) **Fiscal Prudence:** All disbursements shall align with the State's fiscal framework, including the Zamfara State Fiscal Responsibility Law, the Medium-Term Expenditure Framework and the Debt Management Law, 2015. Fiscal commitments and contingent liabilities supported by the Fund shall be recorded and managed in coordination with the Debt Management Department of the Zamfara State Ministry of Finance.

(f) **Partnership Orientation:** Collaboration among the State Government, Contracting Authorities, the private sector, and multilateral and development finance institutions shall be promoted to leverage resources and expertise. Contributions from development partners shall be untied, aligned with the priorities of the State Government, and assessed for potential conflicts of interest at the time of mobilisation and deployment.

(g) **Sustainability:** The Fund shall be managed to ensure continuity, replenishment and long-term impact. This includes retaining within the Fund repayments of recoverable advances and loans, proceeds from the sale of equity stakes, and other lawful internally generated inflows.

Part II: Establishment and Domicile of the Project Facilitation Fund

7. Establishment of the Project Facilitation Fund

1) The Zamfara State Project Facilitation Fund (hereinafter referred to as "the Fund"), established under section 3 of the Zamfara State Project Facilitation Fund Executive Order No. 05, 2025, shall be operationalised, administered and managed in accordance with these Regulations.

(2) The Fund shall be domiciled in the Zamfara Investment Promotion Agency and shall operate under its oversight, management and coordination, on an arm's-length basis from the other operations of the Agency.

(3) The Fund may receive allocations, grants, contributions and other approved financial inflows from the Zamfara State Government, development partners, private sector contributors and other lawful sources.

(4) The Fund shall operate as an interim State investment facilitation instrument pending the enactment of a law establishing the Fund as a statutory fund. Upon the commencement of such law, these Regulations shall continue to apply to the extent that they are not inconsistent with that law.

8. Domicile of the Fund

The Fund shall be domiciled within the Zamfara Investment Promotion Agency (ZIPA) and shall operate in accordance with Zamfara State Project Facilitation Fund Executive Order No. 05, 2025, these Regulations, the Zamfara Investment Promotion Agency Law, 2023, the Zamfara State PPP Policy, 2020 and PPP Manual, 2020, the PFF Guidelines, Governance and Operational Manual, Financial Management Manual and Audit Manual, and all other applicable laws of Zamfara State and the Federal Republic of Nigeria.

9. Purpose of the Fund

(1) The Fund shall be used exclusively to finance eligible activities required to advance priority infrastructure, PPP and investment projects in Zamfara State from origination and conceptualisation to bankability and investment readiness, including feasibility studies, business case development, technical assessments, project design, market strategies, transaction structuring, regulatory compliance support, tendering and investment promotion.

(2) The Fund may also be used to meet the eligible operational costs of the PFF Secretariat in administering the Fund, subject to the limits prescribed in these Regulations.

(3) Where permitted by law, the Fund may provide Viability Gap Funding and contingent liability liquidity support to eligible PPP projects, in accordance with these Regulations.

(4) The Fund shall not be used to meet the staff costs or other internal expenses of Contracting Authorities or of the PPP Unit of the Agency, or for any purpose not expressly authorised under these Regulations.

10. Fund Duration and Continuity

(1) The Fund shall operate as an interim facility under the Executive Order for an initial operational life of ten (10) years from the commencement of these Regulations, subject to any law establishing the Fund as a statutory fund.

(2) The performance of the Fund shall be reviewed once every two (2) years by the Board of the Agency, or by an agency appointed by the Board, in accordance with these Regulations.

(3) The Fund shall continue in operation until:

(a) the expiry of its operational life, unless extended by the Agency with the approval of the Executive Governor;

(b) it is dissolved or restructured by an amendment to these Regulations, or by modification or revocation of the Executive Order; or

(c) it is replaced by a statutory fund established by law.

(4) Where the Fund is wound up before or at the end of its operational life, any unused funds shall be returned to the Zamfara State Government and to the contributing development partners, in proportion to their contributions and in accordance with the terms of any applicable contribution agreement.

(5) All commitments, disbursements and Funding Agreements made before the expiry, dissolution, restructuring or replacement of the Fund shall remain binding in accordance with their terms and shall be transferred to any successor fund or institution designated by law or by the Executive Governor.

Part III: Fund Management Structure

11. Fund Management Committee

(1) There shall be a Fund Management Committee responsible for strategic oversight of the Fund, approval of funding applications, allocation of funds among the support windows, and periodic monitoring of the Fund's performance.

(2) The Board of the Zamfara Investment Promotion Agency, acting through its PPP & Privatization Committee, shall serve as the Fund Management Committee.

(3) Where necessary for the effective discharge of its responsibilities, and where such representation is not already provided for in the composition of the Board or the PPP & Privatization Committee, the Fund Management Committee shall include, or be expanded to include representatives not below the rank of Director from the following:

(a) the Zamfara State Ministry of Finance;

(b) the Debt Management Department of the Zamfara State Ministry of Finance;

(c) the Zamfara State Planning and Budget Commission;

(d) the Zamfara State Ministry of Justice;

(e) the Zamfara State Public Procurement Unit; and

(f) the Office of the Accountant-General of Zamfara State.

(4) The Fund Management Committee may also include one private sector representative or independent expert with relevant experience in project finance, PPPs, infrastructure development or a related field, to strengthen the objectivity and technical quality of its decisions.

(5) The Fund Management Committee shall be led by a Chairperson, who shall ensure that the Committee effectively carries out its duties and responsibilities.

(6) The Fund Management Committee shall establish a Finance Sub-Committee and an Audit and Risk Sub-Committee and may establish such other sub-committees as it considers necessary. It may delegate any of its functions to such sub-committees, or to any member, officer, employee or agent of the Committee.

(7) The Officer Administering the Fund, who shall be the Director, PPP and Privatization, of the Agency and Head of the PFF Secretariat, shall be the Secretary of the Fund Management

Committee. The Secretary shall convene meetings, keep records and facilitate communication, but shall have no voting rights in the Committee's decisions.

12. Appointment and Tenure of the Members of the Fund Management Committee

- a. The ex-officio members of the Fund Management Committee shall serve by virtue of their official positions and shall be formally inaugurated by the Governor or a delegated authority following the confirmation of their institutional nominations.
- b. Where applicable, the Fund Management Committee may include one (1) independent expert or private sector representative with relevant expertise in infrastructure finance, project preparation, or public-private partnerships. Such a person shall be appointed by the Governor based on merit and demonstrated competence and shall serve on a part-time basis for a term of four (4) years, which may be renewable once.
- c. All other members of the Fund Management Committee, apart from the Officer Administering the Fund, shall serve on a part-time basis for the same tenure as stipulated in the Zamfara Investment Promotion Agency Law or as determined by the institutional term of office of the nominating entity.
- b. Any member of the Fund Management Committee may resign or be disqualified from continued service in accordance with the provisions of the Zamfara Investment Promotion Agency Law or other applicable public service regulations.

13. Functions of the Fund Management Committee shall include:

- (a) exercising overall responsibility for, and oversight of, the Fund;
- (b) approving the Business Plan of the Fund, in consultation with contributing development partners, and approving the annual work plan and financial plan of the Fund;
- (c) approving the annual procurement plan of the Fund, prepared in accordance with the Zamfara State public procurement regulations and the format issued by the Zamfara State Public Procurement Unit;
- (d) approving the estimates of annual revenue and expenditure and the annual budget of the Fund, and recommending them to the Executive Governor for approval;
- (e) ensuring that the annual estimates of revenue and expenditure for all support windows reflect the cumulative commitments of the Fund for the financial year;
- (f) approving funding for the PFF Secretariat under the support window for Secretariat operations;
- (g) approving the criteria for the evaluation and selection of projects, and ensuring that only eligible projects are authorised for funding under these Regulations;

- (h) reviewing and approving funding applications and Funding Agreements, and authorising allocations and disbursements from the Fund, provided that support under the Contingent Liability Liquidity Support window shall additionally require the approval of the Executive Governor;
- (i) approving proposals for the re-allocation of funds not earmarked for specific purposes within the Fund;
- (j) approving and reviewing the investment of surplus funds of the Fund, in consultation with the Zamfara State Ministry of Finance;
- (k) evaluating the risk appetite of the Fund and setting risk thresholds, on the recommendation of the Audit and Risk Sub-Committee;
- (l) setting performance benchmarks, Key Performance Indicators and evaluation criteria for the Fund;
- (m) approving the policies, operational and management procedures, reporting policies, guidelines, frameworks and templates for the operation of the Fund;
- (n) approving the financial statements and management reports of the Fund, and adopting its non-financial reports for submission to the Executive Governor; and
- (o) requiring information from any party to a project on any matter relating to a support window, taking custody of Funding Agreements and monitoring compliance with them.

14. Establishment of Sub-Committees

(1) The Fund Management Committee shall establish the following standing sub-committees to carry out, on its behalf, such technical functions as it may determine:

(a) **a Finance Sub-Committee**, which shall, among other things, review the annual work plan and budget of the Fund, review funding applications and Funding Agreements, lead resource mobilisation, monitor the implementation of projects funded by the Fund, and oversee the investment of surplus funds; and

(b) **an Audit and Risk Sub-Committee**, which shall, among other things, oversee the internal control framework of the Fund, evaluate the risk appetite of the Fund, ensure compliance with applicable regulatory and development partner requirements, and review audit reports and management letters.

(2) The Fund Management Committee may also establish ad hoc sub-committees, with clear terms of reference, to address specific matters arising within the Fund or in relation to projects. An ad hoc sub-committee shall serve only for the duration of the need for which it was established.

(3) A sub-committee established under this regulation shall consist of such number of persons, who need not be members of the Fund Management Committee, and shall serve for such duration, as the Fund Management Committee may determine. The Fund Management Committee may engage any person whose knowledge and skills it considers necessary for the performance of a sub-committee's functions.

(4) A decision of a sub-committee shall be of no effect until it is confirmed by the Fund Management Committee, except where these Regulations or the PFF Governance and Operational Manual expressly authorise the sub-committee to take that decision.

(5) The detailed functions and procedures of the sub-committees shall be as set out in the PFF Governance and Operational Manual.

15. Appointment of the Officer Administering the Fund

(1) The Director, PPP and Privatization, of the Zamfara Investment Promotion Agency shall be the Officer Administering the Fund and the Head of the PFF Secretariat.

(2) The Officer Administering the Fund shall serve in that capacity by virtue of office and shall not require a separate appointment or a distinct term of office under these Regulations.

(3) The administration of the Fund and the leadership of the PFF Secretariat shall be an additional responsibility of the Director, PPP and Privatization, to be exercised concurrently with the Director's primary duties for the duration of the Director's substantive appointment.

(4) The Officer Administering the Fund shall exercise the fiduciary authority delegated by the Fund Management Committee and the Zamfara State Ministry of Finance and shall be accountable to the Fund Management Committee and contributing development partners for the overall administration of the Fund, including ensuring that funds are used for their intended purposes.

(5) The Officer Administering the Fund shall be supported by a Fund Manager within the PFF Secretariat, who shall be responsible for the day-to-day operational management of the Fund, including management of funding applications, financial management, procurement management, monitoring, and accounting and reporting on funds received and disbursed.

(6) Where the office of the Director, PPP and Privatization, is vacant, or the Director is unable to perform the functions of the Officer Administering the Fund, the Executive Secretary of the Agency shall designate a Director-level officer of the Agency to act as Officer Administering the Fund until the vacancy is filled or the Director resumes duty

16. Functions of the Officer Administering the Fund

(1) The Officer Administering the Fund shall be responsible for the supervision and control of the administration of the Fund, and shall:

(a) coordinate the operations of the Fund in line with these Regulations and approved procedures;

(b) serve as Secretary and technical arm of the Fund Management Committee;

(c) advise and consult with the Fund Management Committee on matters relating to the administration of the Fund, and with the Executive Governor as may be necessary from time to time;

(d) coordinate the development of the annual work plan, Business Plan and financial plan of the Fund;

(e) prepare the estimates of annual revenue and expenditure of the Fund in line with the State budget cycle, and submit them to the Fund Management Committee for approval before submission to the Executive Governor;

(f) receive funding requirement estimates from the PPP Unit of the Agency and Contracting Authorities for project preparation and Viability Gap Funding, and contingent liability estimates from the Zamfara State Ministry of Finance, each year;

(g) prescribe all forms, and prepare Funding Agreements and all other documentation necessary for the proper administration of the Fund and for disbursements from it, and sign Funding Agreements on behalf of the Fund;

(h) establish proper systems of control and oversight over the operations of the Fund, including a dedicated Contingent Liability Reserve Account within the Fund;

(i) ensure compliance with financial, non-financial and procurement requirements, these Regulations and other applicable laws;

(j) keep, or cause to be kept, proper books and records of the Fund and of all projects financed by it;

(k) coordinate the preparation of quarterly and annual financial and non-financial performance reports of the Fund, and submit them to the Fund Management Committee for adoption;

(l) prepare, sign and submit to the Auditor-General of Zamfara State, within three (3) months after the end of each financial year, a statement of accounts of the Fund in the prescribed form, and file a copy with the Zamfara State Ministry of Finance;

(m) advise the Fund Management Committee on trends and projections relating to the financing requirements of the Fund;

(n) lead resource mobilisation for the Fund, under the guidance of the Finance Sub-Committee;

(o) lead the bi-annual review of the Fund's work plan, oversee monitoring and evaluation of the Fund's achievement of its objectives, and ensure that the Fund maximises its impact; and

(p) liaise with MDAs, Contracting Authorities, development partners, consultants and technical partners.

(2) In the performance of these functions, the Officer Administering the Fund may:

(a) access any project-related data required from Contracting Authorities;

(b) call for any additional information relating to requests for payment out of the Fund; and

(c) issue financial management guidelines relating to the Fund, in consultation with the Zamfara State Ministry of Finance.

17. PFF Secretariat

(1) There shall be a PFF Secretariat, housed within the Zamfara Investment Promotion Agency, to provide technical and administrative support to the Officer Administering the Fund and the Fund Management Committee in administering the Fund.

(2) The Officer Administering the Fund shall be the Head of the PFF Secretariat and shall be supported in the day-to-day management of the Fund by a Fund Manager.

(3) The PFF Secretariat shall:

(a) develop and monitor the annual work plan, Business Plan and financial plan of the Fund;

(b) develop and monitor the annual procurement plan of the Fund;

(c) develop and issue, with the approval of the Fund Management Committee, guidelines, procedures and application forms for making and processing funding applications by Contracting Authorities and Project Companies;

(d) receive funding applications, conduct desk and preliminary reviews, and process them in accordance with these Regulations;

(e) draft Funding Agreements and other documentation necessary for disbursements from the Fund, review Financing Agreements with development partners, and manage both;

(f) review disbursement requests, process disbursements and manage the cash flows of the Fund;

(g) conduct procurement for the Fund, including procurement of approved support for the Secretariat, and coordinate the procurement of transaction advisors, consultants and other services on behalf of Contracting Authorities, in accordance with the Zamfara State public procurement law and regulations;

- (h) undertake financial planning, budgeting, accounting, credit management and financial reporting for the Fund, and manage the investment of surplus funds as approved;
 - (i) monitor the implementation of PPP projects funded by the Fund, compliance with reporting requirements under Funding Agreements, and the realisation of project benefits;
 - (j) evaluate the impact of the Fund's activities and of funding advanced to projects;
 - (k) ensure regulatory compliance and manage project and investment risks;
 - (l) maintain the financial, operational and procurement records of the Fund;
 - (m) carry out communication and stakeholder engagement for the Fund; and
 - (n) support knowledge management and the capacity building of Contracting Authorities and MDAs on PPP project preparation and implementation.
- (4) The PFF Secretariat shall comprise a Fund Manager, an Accountant, an Assistant Accountant, a Procurement Officer, an Assistant Procurement Officer, an Internal Auditor, and such other officers with legal, financial, technical and procurement expertise as may be required.
- (5) Staff of the PFF Secretariat shall be drawn from the Agency and from relevant MDAs, including the Zamfara State Ministry of Finance, the Planning and Budget Commission and the Zamfara State Public Procurement Unit. They shall be determined by the Officer Administering the Fund in consultation with the Chairperson of the Fund Management Committee, subject to the approval of the Executive Secretary of the Agency.
- (6) The PFF Secretariat may engage third-party consultants, where necessary, to close gaps in the skills of its staff, build capacity, undertake technical review of applications and monitoring, and streamline the operations of the Fund.
- (7) The PPP Unit of the Agency shall provide support services to the Fund, including legal and risk management, communication, monitoring and evaluation, economics and planning, internal audit, resource mobilisation, and information and communication technology support.
- (8) The eligible expenses of the PFF Secretariat shall be met from the support window for Secretariat operations, within the limits prescribed in these Regulations.

Part IV: Eligibility and Application

18. Funding Windows

- (1) The Fund shall operate through four (4) support windows designed to support different stages and needs of project preparation, facilitation and risk management across the PPP project lifecycle, as follows.
- (2) Window 1: Support to Contracting Authorities for Project Preparation

(a) This Window shall provide financial support to Contracting Authorities to meet eligible third-party costs of preparing PPP projects in the approved PPP project pipeline, including:

(i) consultancy services related to PPP projects, including preparation of feasibility studies (technical, financial and legal due diligence) and Outline Business Cases;

(ii) preparatory work to estimate requirements for land acquisition, compensation, resettlement and environmental remediation;

(iii) transaction advisory services, including support for the tender process, marketing, bid document preparation, proposal evaluation and negotiations with the Preferred Bidder; and

(iv) other project preparation activities approved by the Fund Management Committee.

(b) Support under this Window may be provided on a recoverable or non-recoverable basis, in accordance with the terms and conditions set out in the Funding Agreement between the Fund and the Contracting Authority.

(3) Window 2: Support to the Operations of the PFF Secretariat

(a) This Window shall fund the eligible operational, institutional and administrative requirements of the PFF Secretariat for the effective management of the Fund, including:

(i) consultancy services engaged by the PFF Secretariat;

(ii) capacity-building programmes;

(iii) acquisition of office equipment, systems and associated software;

(iv) research activities;

(v) establishment of knowledge management systems and frameworks; and

(vi) recurrent operational and maintenance costs of the PFF Secretariat.

(b) Disbursements under this Window shall be made only in accordance with an annual work plan and budget approved by the Fund Management Committee and shall not exceed [10% / 15%] of the Fund in any financial year.

(c) This Window shall not be used to meet the staff costs or other internal expenses of Contracting Authorities or of the PPP Unit of the Agency.

(4) Window 3: Viability Gap Funding

(a) Where permitted by law, this Window shall provide Viability Gap Funding to eligible PPP projects that are economically and socially beneficial but not commercially viable on a standalone basis.

(b) Support under this Window may be provided by way of grants, loans, equity or any other approved financial instrument, and may take the form of:

(i) a Construction Grant, including construction expenditure, the cost of land acquisition, and compensation for resettlement and environmental remediation measures undertaken after signing of a Project Agreement;

(ii) an Operational Grant, to meet the shortfall between project revenues and operational expenditure;

(iii) Service Payments or Availability Payments for the development and maintenance of infrastructure or assets created under a PPP;

(iv) Demand and Output-Based Payments; and

(v) coverage of a project's fiscal commitments that have been estimated and approved at Full Business Case stage.

(c) Viability Gap Funding for any project shall not exceed []% of the project's estimated capital cost.

(d) Support under this Window shall be available only where:

(i) a Project Agreement has been signed between the Contracting Authority and the private partner; and

(ii) the private partner was procured through a competitive public procurement process in accordance with the Zamfara State PPP Manual.

(e) The Fund shall not act as lead creditor to any project and shall not acquire a majority stake in any Project Company.

(5) Window 4: Contingent Liability Liquidity Support

(a) Where permitted by law, this Window shall provide liquidity to meet short-term liquidity gaps arising from contingent liabilities under approved PPP Project Agreements.

(b) The Officer Administering the Fund shall open and maintain a dedicated sub-account within the Fund, to be known as the Contingent Liability Reserve Account, solely to provide ready liquidity for disbursements under this Window.

(c) Support under this Window shall be available only where the contingent liability:

(i) cannot be handled by the Zamfara State Ministry of Finance under alternative frameworks;

(ii) does not arise from a contracted obligation of a Contracting Authority under a Project Agreement for which a budgetary allocation has already been made; and

(iii) arises from a default by the Zamfara State Government that is not recoverable from a Contracting Authority under a Project Agreement.

(d) Contingent liabilities arising from a default by a Contracting Authority shall remain the responsibility of that Contracting Authority. As a last resort, the Contracting Authority may apply to the Fund for a recoverable advance to settle such liabilities.

(e) Contingent liabilities that are neither the responsibility of the Contracting Authority nor of the private party, and which arise from the implementation of a Project Agreement, shall be eligible for settlement under this Window, subject to any guidelines issued by the Fund Management Committee.

(f) Payments made under this Window at the request of a Contracting Authority shall be refunded by that Contracting Authority in its immediately subsequent budget cycle.

(g) Support under this Window shall be subject to validation by the Fund Management Committee, in coordination with the Debt Management Department of the Zamfara State Ministry of Finance, and to the approval of the Executive Governor.

(6) Fiscal commitments and contingent liabilities arising from existing or operational projects that pre-date the Fund shall not be eligible for support under any Window.

19. Eligible Projects and Activities

(1) A project shall be eligible for support from the Fund only where it:

(a) originates from, or is endorsed by, a Contracting Authority or MDA of the Zamfara State Government, or a Special Purpose Vehicle formed in line with the Zamfara State PPP framework to implement a specific PPP project on behalf of the State;

(b) has been approved by the Board of the Agency for inclusion in the PPP project pipeline, having been identified and prepared in accordance with the Zamfara State PPP Policy and PPP Manual;

(c) aligns with the Zamfara State Development Plan, the Zamfara State Infrastructure Master Plan, sectoral strategies, the Medium-Term Expenditure Framework or other medium-term investment priorities of the State, and with the Sustainable Development Goals and the SABER Program; and

(d) is intended for private sector participation through a PPP or other approved private investment or blended finance arrangement and does not rely solely on public financing.

(2) The Fund may support eligible projects in all sectors, including agriculture, mining, infrastructure, logistics and services, subject to any regulations, policies or guidelines issued by the Fund Management Committee or the Zamfara State Ministry of Finance from time to time.

Unsolicited Proposals

(3) Unsolicited proposals shall not be eligible for support under the Fund, in line with the State's commitment to competitive and transparent project origination, unless the proposal has been approved through the unsolicited proposals process under the Zamfara State PPP framework. Such approval shall require:

- (a) formal submission of the proposal to the Zamfara Investment Promotion Agency;
- (b) demonstration of unique intellectual property, proprietary technology or innovation not otherwise available in the open market;
- (c) completion of a Value for Money assessment conducted or validated by the Agency;
- (d) evaluation of the proposal against a competitive tender process, through a Swiss Challenge or other competitive procedure under the applicable procurement and PPP laws, to determine the final private partner; and
- (e) endorsement by the Fund Management Committee that the project meets the eligibility and strategic alignment criteria under these Regulations.

(4) In addition to subregulation (3), Viability Gap Funding shall not be provided to a project originating from an unsolicited proposal unless the multilateral development bank or development finance institution providing funds for the project has approved it.

(5) The Fund shall not be used to finance the proposal development costs of any unsolicited project before its approval under subregulation (3).

Eligible Activities

(6) Subject to the conditions applicable to each support window, the following activities shall be eligible for support from the Fund:

Project preparation (Window 1)

- (a) identification, scoping, prioritisation and preliminary screening of infrastructure and PPP projects, including sector diagnostic studies, based on State development plans, sector strategies or medium-term investment priorities;
- (b) pre-feasibility and feasibility studies, including technical, economic, financial, legal, institutional and risk analysis, and specialist studies such as demand assessments and asset evaluations;

- (c) preparation of Outline Business Cases and Full Business Cases, including the review and updating of existing studies to meet the Zamfara State PPP Manual, investment criteria or funder requirements, and the integration of climate, gender and social inclusion considerations;
- (d) Environmental and Social Impact Assessments, Environmental and Social Management Plans, climate risk screening and other safeguards documentation;
- (e) legal and institutional reviews, regulatory due diligence, and analysis of project structuring options, including recommendations on PPP modalities;
- (f) market sounding, stakeholder consultations, workshops and events, investor roadshows, transaction packaging and promotion of investment opportunities;
- (g) development of procurement documentation, including Requests for Qualification, Requests for Proposals and draft PPP agreements, and the conduct of tender processes, including advertisements, marketing, communications and due diligence;
- (h) financial structuring support, including viability gap assessments, funding strategies, blended finance analysis and bankability assessments;
- (i) engagement of qualified Transaction Advisors to support project appraisal, studies, transaction structuring, market sounding, procurement, negotiations with the Preferred Bidder and financial close;
- (j) preparatory work to estimate requirements for land acquisition, compensation, resettlement and environmental remediation, including preparation of resettlement frameworks and Resettlement Action Plans;
- (k) design and evaluation of fiscal commitment and contingent liability arrangements, such as availability payment structures and termination compensation provisions, in coordination with the Debt Management Department of the Zamfara State Ministry of Finance;
- (l) interventions that improve the ease of doing business, regulatory reform, regulatory compliance support, investor aftercare and public-private sector coordination; and
- (m) other project preparation activities approved by the Fund Management Committee;

Secretariat operations and capacity building (Window 2)

- (n) eligible operating expenditure of the PFF Secretariat; and
- (o) capacity building and institutional strengthening for Contracting Authorities and other PPP actors, including training, technical assistance, peer learning, knowledge exchange, and development of standard tools and templates;

Post-award support (Windows 3 and 4), where permitted by law

(p) Viability Gap Funding, including construction grants covering land acquisition and compensation of Project-Affected Persons after signing of a Project Agreement, for projects that are socially and economically important but commercially marginal, subject to fiscal safeguards and Value for Money assessment; and

(q) liquidity support for eligible contingent liabilities, in accordance with regulation [X] (Funding Windows).

Exclusions

(7) The following shall not be eligible for support under the Fund:

(a) projects procured before the Fund came into operation, and fiscal commitments or contingent liabilities arising from existing or operational projects that pre-date the Fund;

(b) staff costs or other internal expenses of Contracting Authorities or of the PPP Unit of the Agency; and

(c) any activity not expressly authorised under these Regulations.

20. Exclusions

The Fund shall not finance:

(a) physical infrastructure or capital project implementation costs, except where provided as Viability Gap Funding under Window 3 in accordance with these Regulations;

(b) staff costs, operating expenditure or other internal expenses of Contracting Authorities, MDAs, the PPP Unit of the Agency or political offices, other than the eligible expenses of the PFF Secretariat under Window 2;

(c) studies or activities completed before approval of the funding application, or retroactive reimbursement of costs incurred before the relevant Funding Agreement is executed;

(d) projects that have not been approved by the Board of the Agency for inclusion in the PPP project pipeline, or that fall outside the State Development Plan, sectoral strategies or other approved investment priorities of the Zamfara State Government;

(e) projects procured before the Fund came into operation, and fiscal commitments or contingent liabilities arising from existing or operational projects that pre-date the Fund;

(f) proposal development costs for unsolicited projects before their approval under regulation [X], or Viability Gap Funding for unsolicited projects except as provided in that regulation;

(g) projects that do not demonstrate clear socio-economic benefits, Value for Money or potential bankability, as assessed in accordance with the Zamfara State PPP Manual and these Regulations; and

(h) any activity not expressly authorised under these Regulations.

21. Prioritisation Criteria

1) The Fund shall consider all eligible funding applications on a first-come, first-served basis, and shall prioritise them using the following criteria:

(a) the extent to which the Contracting Authority is able and willing to co-fund a matching portion of the requested support;

(b) strategic fit with the Zamfara State Development Plan, the Zamfara State Infrastructure Master Plan, sector strategies or other medium-term investment priorities of the State;

(c) the potential economic impact of the project, including economic growth, job creation, industrialisation, inclusion and improved service delivery, as shown by an Economic Cost Benefit Analysis conducted in accordance with the Zamfara State PPP Manual;

(d) the environmental and social benefits of the project, and whether it has been adequately prepared, with the relevant environmental and social studies undertaken;

(e) the potential Value for Money and affordability of the project, and whether these have been assessed;

(f) the bankability and financing prospects of the project, including interest from development finance institutions, private co-financing or other funding leverage;

(g) the readiness of the Contracting Authority, including designation of a project lead and internal coordination arrangements;

(h) the size of the support requested, including the quantum of any Viability Gap Funding, and its effect on the continued availability of the Fund, or of the relevant support window, to support other eligible projects and activities; and

(i) the Contracting Authority's track record with PPP projects, including compliance and effective use of funds.

(2) Applications shall be ranked in the following priority categories, as set out in the PFF Governance and Operational Manual:

(a) Category A (Top Priority): the Contracting Authority can co-fund the support, the project has clearly determined socio-economic benefits, it has been adequately prepared with environmental

and social studies undertaken, its Value for Money and affordability have been assessed, and the Contracting Authority has a good PPP track record;

(b) Category B (High Priority): all the conditions for Category A are met except a good PPP track record;

(c) Category C (Mid Priority): the Contracting Authority can co-fund the support and the project has clearly determined socio-economic benefits, but the other conditions are not met; or the Contracting Authority cannot co-fund the support, but the project has clearly determined socio-economic benefits and has been adequately prepared with environmental and social studies undertaken;

(d) Category D (Low Priority): the Contracting Authority cannot co-fund the support and the project has clearly determined socio-economic benefits, but the other conditions are not met; and

(e) Category E (Least Priority): none of the conditions is met.

(3) Applications that would put undue strain on the resources of the PFF Secretariat to assess, or that would seriously deplete the funds allocated to a support window, shall be treated with caution.

(4) The Fund Management Committee may approve detailed scoring methods for applying these criteria.

22. Application and Approval Process

(1) Applications for support under Windows 1, 3 and 4 shall follow the process set out in this regulation. Support under Window 2 shall be provided through the annual work plan and budget of the PFF Secretariat approved by the Fund Management Committee, and not through an application.

(2) Submission. An eligible Contracting Authority or Project Company may apply at any time during the financial year by submitting:

(a) the standard application form prescribed by the Fund, approved through the applicant's internal approval process and signed by its authorised representative; and

(b) the supporting documents required for the category of support applied for, as set out in the Schedule to these Regulations.

(3) An application relating to a project originating from an unsolicited proposal shall not be processed unless it includes documented evidence of approval under the unsolicited proposals process in regulation [X] and the Zamfara State PPP framework.

(4) Acknowledgement. On receiving an application, the PFF Secretariat shall assign it a unique reference number, acknowledge receipt in writing, and inform the applicant of the stages of review and expected timelines.

(5) Screening. The PFF Secretariat shall screen each application for:

(a) administrative compliance, including completeness, due authorisation and submission of all required supporting documents;

(b) eligibility, including verifying that the applicant is an eligible entity, that the support requested falls within an eligible category under the relevant support window, and that the project is in the approved PPP project pipeline; and

(c) compliance with any additional rules set by the Fund Management Committee.

(6) Following screening, the PFF Secretariat shall notify the applicant in writing that the application has been:

(a) deferred, in which case the applicant may resubmit after addressing the stated deficiencies;

(b) rejected for ineligibility or non-compliance with the funding requirements; or

(c) forwarded for technical appraisal.

(7) Technical appraisal. The Finance Sub-Committee shall appraise all applications that pass screening, on a first-come, first-served basis, against the eligibility and prioritisation criteria in these Regulations. It may co-opt technical experts or draw on the PFF Secretariat or a Transaction Advisor, shall document the reasons for its decisions, and shall forward applications that meet the conditions for funding to the Fund Management Committee with its recommendations.

(8) Approval. The Fund Management Committee shall consider the recommendations of the Finance Sub-Committee, at least once every quarter, and may:

(a) approve an application, with or without conditions;

(b) defer an application, subject to specified conditions being met or to the availability of funds where eligible applications exceed available resources; or

(c) reject an application that does not meet the eligibility or funding requirements.

(9) Approval of support under Window 4 shall additionally require the approval of the Executive Governor.

(10) Every decision to defer or reject an application, at any stage, shall be communicated to the applicant in writing, with the reasons for the decision and any action required before resubmission.

(11) Funding Agreement and disbursement. No disbursement shall be made from the Fund unless a Funding Agreement has been executed following approval by the Fund Management Committee. Disbursements shall be made in line with the milestones and conditions set out in the Funding Agreement.

(12) The procedures, forms, checklists and timelines for each stage of this process shall be as set out in the PFF Governance and Operational Manual.

23. Funding Agreement

(1) Every approved disbursement under Windows 1, 3 and 4 shall require a Funding Agreement between the Fund and the Contracting Authority with direct responsibility for the project. Where the support is Viability Gap Funding, the Funding Agreement shall be a tripartite agreement between the Fund, the Contracting Authority and the Project Company.

(2) The PFF Secretariat shall prepare each Funding Agreement in consultation with the Legal Counsel of the Agency and may seek advice from the Zamfara State Ministry of Justice or external legal experts where required. The Funding Agreement shall be consistent with the approved application and with the requirements of any development partner supporting the project.

(3) The Officer Administering the Fund shall review each draft Funding Agreement before releasing it to the Contracting Authority and shall sign it on behalf of the Fund. A duly authorised representative shall sign on behalf of the Contracting Authority, and, where applicable, the Project Company.

(4) A Funding Agreement shall define, among other things:

- (a) the parties and the rights and obligations of each party;
- (b) project details, funding objectives and the basis of eligibility for funding;
- (c) the scope of funding support, including the activities and components to be funded;
- (d) the amount, duration and type of funding, whether grant, recoverable advance, loan or equity;
- (e) the disbursement structure, schedule, conditions and requirements, whether lumpsum, milestone-based, reimbursable or otherwise;
- (f) the expected timeline for completing the task or investment being funded;
- (g) monitoring, reporting and documentation obligations;
- (h) fiduciary safeguards, audit and inspection rights, and the procurement rules applicable to funded activities;

- (i) repayment terms and conditions for recoverable advances, loans and equity investments, including the recovery process and any terms for converting a recoverable advance into a grant;
 - (j) claw-back and refund obligations where funds are misused, used for ineligible purposes, not used, or where the applicant breaches the Funding Agreement; and
 - (k) a dispute resolution mechanism appropriate to the nature of the agreement, providing for amicable settlement and alternative dispute resolution, with judicial proceedings as a last resort.
- (5) Every Funding Agreement shall be governed by the laws of the Federal Republic of Nigeria and of Zamfara State.
- (6) The Fund Management Committee shall take custody of executed Funding Agreements and monitor compliance with them.

24. Monitoring, Evaluation, and Learning (MEL)

- (1) The Fund shall implement a results-based Monitoring, Evaluation and Learning (MEL) Framework, based on the objectives of the Fund set out in the Business Plan, to:
- (a) measure the performance of the Fund against its objectives and track the progress of supported projects towards bankability and investment readiness;
 - (b) evaluate the Value for Money and effectiveness of funding provided by the Fund in achieving project objectives;
 - (c) identify impediments, risks and recurring constraints in the PPP project pipeline and in the operations of the Fund;
 - (d) generate lessons and data to refine the State's project facilitation strategy and improve planning and resource allocation by the Fund;
 - (e) improve the assessment and operational frameworks of the Fund, including its policies, guidelines, manuals and tools;
 - (f) inform capacity-building programmes for the staff of the PFF Secretariat and Contracting Authorities;
 - (g) establish and maintain a knowledge management system to support the operation of the Fund; and
 - (h) demonstrate results as part of the Fund's accountability to the State Government, development partners and other stakeholders.

(2) The MEL Framework shall be developed by the PPP Unit of the Agency, reviewed by the Fund Manager and approved by the Officer Administering the Fund at the beginning of each financial year.

(3) Each Contracting Authority receiving support shall, through its designated Project Officer, submit quarterly progress reports to the Officer Administering the Fund on outputs achieved against the targets and indicators in the Funding Agreement, including problems, constraints and plans for the next quarter. The Fund Manager shall review these reports and verify them through visits to a sample of Contracting Authorities.

(4) Within three (3) months after completion of each funded activity, the Contracting Authority shall submit an implementation completion report setting out the results achieved, significant modifications made, lessons learned, and actual against budgeted expenditure.

(5) The Officer Administering the Fund shall:

(a) lead a periodic review of the Fund's work plan and results framework, assessing delivery against schedule, impediments and risks, variances between actual and budgeted expenditure, and necessary revisions, and report the findings to the Fund Management Committee for approval of any corrective action; and

(b) commission an annual independent evaluation of projects supported by the Fund.

(6) Within twelve (12) to eighteen (18) months after the end of each funded project, the Fund Management Committee shall engage an external evaluator to carry out an ex-post evaluation of the project's success, outcomes, sustainability and impact, and the lessons learned.

(7) The Board of the Agency, or an agency appointed by the Board, shall review the performance of the Fund once every two (2) years, covering:

(a) the efficiency and effectiveness of the Fund's operations;

(b) the sufficiency and sustainability of the Fund's resources;

(c) stakeholder satisfaction and the overall impact of the Fund on the PPP landscape in Zamfara State; and

(d) the Fund's capacity for innovation, adaptation and growth.

(8) The PFF Secretariat shall compile periodic MEL reports and submit them to the Fund Management Committee, and to such other persons or bodies as may be prescribed by these Regulations, the PFF Governance and Operational Manual, or any Funding or Financing Agreement with a development partner.

Part V: Financial Provisions and Fund Flow

25. Accounts of the Fund

(1) The Fund shall maintain distinct accounts, operated as sub-accounts linked to the Zamfara State Treasury Single Account, in accordance with the Zamfara State TSA Operational Guidelines, the Public Finance Management Law, 2016, and other financial regulations and laws of the State.

(2) The accounts of the Fund shall include:

(a) **PFF Special Account(s):** the main collection accounts of the Fund, into which contributions from the Zamfara State budget, through the Zamfara State Ministry of Finance, and from development partners, through the designated accounts of the State Government, shall be paid;

(b) **PFF Operations Account:** the main account for day-to-day transactions, which shall draw funds from the PFF Special Account(s) for disbursement under the support windows, and shall receive investment income, success fees and repayments of recoverable advances;

(c) **Contingent Liability Reserve Account:** a restricted account, linked to the PFF Operations Account, which shall receive funds dedicated solely to Window 4, subject to a maximum balance prescribed by the Zamfara State Ministry of Finance;

(d) **Restricted or Designated Fund Accounts:** separate accounts for development partner funds given for a specific purpose, period or support window, where the size of the funds or the terms of the relevant Financing Agreement so require; and

(e) project-specific sub-accounts, through which disbursements to a Contracting Authority for a supported project shall be channelled and project payments made, where required.

(3) The Zamfara State Ministry of Finance shall apply for the opening and maintenance of the Fund's accounts. The Accountant-General of Zamfara State, or the Commissioner of Finance, shall have primary responsibility for the Fund's sub-accounts in line with the Zamfara State TSA Operational Guidelines.

(4) The accounts of the Fund shall be operated by bank signatories approved by the Fund Management Committee, in line with the approval thresholds in the PFF Governance and Operational Manual, provided that the Officer Administering the Fund, or the Officer's designate, shall be a mandatory signatory for payments above the prescribed threshold.

(5) Each account shall be operated separately, with its own ledger records and cashbook. All inflows and outflows shall be appropriately coded and recorded for

transparency, auditability and reporting, in accordance with International Public Sector Accounting Standards as adopted in Zamfara State.

(6) The PFF Secretariat shall prepare bank reconciliations for all accounts of the Fund monthly, not later than five (5) working days after the end of each month.

(7) Surplus funds in the accounts of the Fund may be invested only in short-term investments approved by the Fund Management Committee, in consultation with the Zamfara State Ministry of Finance.

26. Capitalisation of the Fund and Replenishment

(1) The Fund shall be capitalised and replenished through one or more of the following sources:

(a) seed capital and annual budget allocations appropriated by the Zamfara State House of Assembly and released through the Zamfara State Ministry of Finance, including transfers from the Capital Development Fund;

(b) grants, contributions or technical assistance from multilateral development banks, development finance institutions, donor agencies or philanthropic partners, whether provided directly or through a multi-donor trust fund;

(c) repayments of loans and recoverable advances extended by the Fund, and proceeds from the sale of equity stakes acquired in Project Companies;

(d) upfront fees, success fees or other payments by bidders, Preferred Bidders or Special Purpose Vehicles on PPP projects, where so provided in the relevant tender documents or Project Agreements;

(e) contingent liability deposits and refunds from Contracting Authorities under Window 4;

(f) income from the investment of surplus funds of the Fund;

(g) private sector contributions earmarked for project development; and

(h) any other lawful source approved by the Zamfara State Ministry of Finance.

(2) Contributions from development partners shall be untied and aligned with the priorities of the Zamfara State Government. Potential conflicts of interest shall be assessed when contributions are mobilised and deployed.

(3) Private sector contributions shall not confer on the contributor any preference, priority or influence in the approval of funding applications or the selection of projects or private partners.

(4) All repayments, sale proceeds and other internally generated funds shall be retained within the Fund and applied in accordance with these Regulations.

(5) The Agency shall be responsible for fundraising for the Fund and for managing relationships with the State Government and development partners.

27. Payment into the Fund

(1) All approved contributions to the Fund shall be paid promptly into the PFF Special Account(s) or other designated accounts of the Fund. No cash shall be received at the offices of the Fund or the Agency. All payments shall be made by direct bank transfer or by cheque payable to the Fund and deposited directly into the Fund's TSA sub-accounts.

(2) Allocations from the State budget shall be requested by the Officer Administering the Fund from the Zamfara State Ministry of Finance, verified by the Planning and Budget Commission against the approved budget, and released upon the approval of the Executive Governor into the Fund's accounts.

(3) Contributions from development partners shall be drawn down in accordance with the procedures, formats and supporting documentation prescribed in the relevant Financing Agreement. Where development partner funds are disbursed into a designated account of the State Government, the Zamfara State Ministry of Finance shall transfer them to the PFF Special Account(s) without undue delay.

(4) Repayments of recoverable advances and loans, contingent liability deposits and refunds, fees and other payments due from Contracting Authorities, Project Companies or bidders shall be paid into the Fund in accordance with the relevant Funding Agreement, Project Agreement or tender documents. The PFF Secretariat shall monitor such payments as they fall due.

(5) Where required, every inflow shall be accompanied by a payment advice specifying the source, purpose and applicable support window or project, including whether the funds are restricted or designated.

(6) The PFF Secretariat shall acknowledge in writing the receipt of every inflow, issue an official receipt to the payer, and record the inflow in the books of the Fund, with appropriate coding by source, purpose and support window.

28. Withdrawal from the Fund

(1) No withdrawal or disbursement shall be made from the Fund except in accordance with:

(a) a funding application approved by the Fund Management Committee, and, for Window 4, by the Executive Governor;

(b) an executed Funding Agreement, or, for Window 2, the approved annual work plan and budget of the PFF Secretariat;

(c) the disbursement schedule and milestones set out in the Funding Agreement; and

(d) the approved annual budget and procurement plan of the Fund.

(2) Each withdrawal or disbursement shall be supported by:

(a) a disbursement request in the prescribed form, submitted by the Contracting Authority or other eligible recipient in line with the Funding Agreement;

(b) evidence of the milestone achieved, together with any relevant reports, invoices and contracts, and, for payments to Transaction Advisors or other third parties, the specific approval of the Contracting Authority;

(c) a recommendation by the PFF Secretariat, confirming that the request complies with the Funding Agreement and these Regulations;

(d) a "no objection" from the relevant development partner, where required under a Financing Agreement; and

(e) authorisation by the bank signatories in line with the approval thresholds in the PFF Governance and Operational Manual, and such further approval of the Fund Management Committee or the Zamfara State Ministry of Finance as may be required.

(3) Disbursements shall be milestone-based and made by electronic transfer, either:

(a) directly to the Contracting Authority; or

(b) indirectly to a third party for a specific delivery, including a Project Company or Transaction Advisor.

(4) Disbursements relating to land acquisition, compensation and resettlement, and obligations co-funded by the Contracting Authority, shall be made to the Contracting Authority. Viability Gap Funding shall be paid in accordance with the disbursement schedule in the Funding Agreement.

(5) The PFF Secretariat shall notify the recipient, and, for indirect payments, the Contracting Authority, of every disbursement. It shall maintain disbursement records for each Contracting Authority and each Funding Agreement, and report on them quarterly to the Fund Management Committee.

(6) Where a dispute arises in a project that threatens its feasibility or implementation, the Fund Management Committee may suspend disbursements to that project until the dispute is resolved.

(7) No withdrawal shall be made for an ineligible activity, or without adequate supporting documentation.

29. Budgeting, Accounting and Reporting

(1) Annual budget. The PFF Secretariat shall prepare an annual budget and financial plan for the Fund, based on the approved annual work plan and the budget guidelines issued by the Zamfara State Ministry of Finance, setting out projected income, proposed allocations across the support windows, administrative costs and contingencies. The Officer Administering the Fund shall submit the budget to the Fund Management Committee for approval before the beginning of each financial year, and once approved, to the Executive Governor. A copy of the approved budget shall be sent to contributing development partners at least thirty (30) days before the start of the financial year.

(2) Accounting system. The PFF Secretariat shall maintain a comprehensive accounting system. Financial statements shall be prepared on an accrual basis in accordance with International Public Sector Accounting Standards (IPSAS), and any other public financial management standards acceptable to the State Government, including:

- (a) the Zamfara State Public Finance Management Law, 2016;
- (b) the Zamfara State Fiscal Responsibility Law;
- (c) the Debt Management Law, 2015, and any framework for fiscal commitments and contingent liabilities issued by the Zamfara State Ministry of Finance; and
- (d) the reporting requirements of contributing development partners.

(3) Financial reports. The PFF Secretariat shall prepare:

- (a) monthly financial reports, to be submitted to the Officer Administering the Fund not later than the 10th day of the following month;
- (b) quarterly financial and non-financial reports, to be reviewed by the Officer Administering the Fund not later than the 15th day of the month following the end of each quarter, and submitted to the Finance Sub-Committee and the Fund Management Committee; and
- (c) annual financial statements, to be submitted to the Fund Management Committee for approval through the Finance Sub-Committee and the Audit and Risk Sub-Committee.

(4) The quarterly and annual financial statements shall clearly disclose:

- (a) opening and closing balances;
- (b) all sources of income and all disbursements, including interest and returns on investments;
- (c) project-by-project and window-by-window allocations, commitments and disbursements;
- (d) actual expenditure against the approved budget, with variance analysis; and
- (e) fiscal commitments and contingent liabilities supported by the Fund.

(5) Submission. Financial reports and budget performance updates shall be submitted to:

(a) the Fund Management Committee;

(b) the Zamfara State Ministry of Finance and the Planning and Budget Commission;

(c) the Executive Governor, in respect of the approved non-financial reports;

(d) the Auditor-General of Zamfara State, to whom the Officer Administering the Fund shall present the approved annual financial statements, with a copy to the Zamfara State Ministry of Finance, within ninety (90) days after the end of each financial year; and

(e) the Fiscal Responsibility Commission and the Zamfara State House of Assembly, as may be required under applicable fiscal laws and regulations.

(6) The financing provided under the Fund shall be captured in the Medium-Term Expenditure Framework and reported by the respective Contracting Authorities, the Agency and the Fund.

(7) Transparency and audit. The PFF Secretariat shall publish summary financial and performance reports on the Fund's website in a timely manner, consistent with SABER benchmarks, and shall cooperate fully with internal and external auditors reviewing the Fund's financial activities.

(8) All budgeting and reporting shall follow these Regulations, the PFF Governance and Operational Manual and the PFF Financial Management Manual and shall align with the public financial management and fiscal responsibility framework of Zamfara State.

30. Audit

(1) **External audit.** The accounts and financial statements of the Fund shall be audited annually by the Auditor-General of Zamfara State, or by an independent external auditor appointed by the Fund Management Committee with the written approval of the Auditor-General. Where the Auditor-General lacks the capacity to perform the audit, the audit work may be subcontracted to an independent firm under the Auditor-General's responsibility.

(2) Any external auditor, other than the Auditor-General, shall be professionally competent, eligible to practice as an auditor in Nigeria, and free from conflicts of interest with the PFF Secretariat, Contracting Authorities, Project Companies and contractors on projects supported by the Fund.

(3) The Officer Administering the Fund shall submit the financial statements of the Fund to the Auditor-General within three (3) months after the end of each financial year. The Auditor-General or the appointed external auditor shall report on the audit to the Fund Management Committee and the Zamfara State Ministry of Finance within six (6) months after the end of the financial year.

(4) **Internal audit.** The Fund shall be subject to regular internal audit by the Internal Auditor of the PFF Secretariat and the Internal Audit Directorate of the Zamfara State Ministry of Finance, in accordance with a three-year risk-based internal audit plan and an annual internal audit plan approved by the Audit and Risk Sub-Committee.

(5) The Internal Auditor shall be independent of the operations of the Fund, shall report to the Fund Management Committee through the Audit and Risk Sub-Committee, and shall have unrestricted access to the records, officials, personnel and premises of the Fund.

(6) Internal audits shall comply with the International Professional Practices Framework of the Institute of Internal Auditors and applicable public sector internal audit guidelines.

(7) **Scope.** Audit reports shall cover:

(a) the financial and non-financial performance of the Fund;

(b) compliance with these Regulations, the Executive Order and other applicable laws;

(c) whether public money has been applied lawfully, effectively and for the purposes intended;

(d) the effectiveness of internal controls, risk management and governance, including fiduciary, financial, operational, compliance and reputational risks;

(e) follow-up on previous audit findings; and

(f) recommendations for improvement, including a management letter where applicable.

(8) The Auditor-General may audit Fund financing implemented by Contracting Authorities. A contributing development partner may undertake a separate audit of the use of its funds, in accordance with the relevant Financing Agreement.

(9) **Disclosure and follow-up.** All audit findings and management letters shall be disclosed to the Fund Management Committee, and to such other persons or bodies as may be required by these Regulations or the laws of Zamfara State. The Officer Administering the Fund shall respond to audit findings and implement the approved recommendations. The Audit and Risk Sub-Committee shall monitor implementation.

31. Financial and Procurement Regulations

Financial and Procurement Compliance

(1) All financial transactions of the Fund shall comply with the Zamfara State Public Finance Management Law, 2016, the Zamfara State Fiscal Responsibility Law, the Zamfara State financial regulations and the Zamfara State TSA Operational Guidelines.

(2) All procurement financed by the Fund, including procurement for the PFF Secretariat and procurement of Transaction Advisors and consultants on behalf of Contracting Authorities, shall comply with the Zamfara State Public Procurement Law, 2016, the regulations and guidelines issued by the Zamfara State Public Procurement Unit, and international best practice.

(3) Procurement by the Fund shall be guided by the principles of value for money, transparency, fairness, equal treatment and non-discrimination, proportionality, integrity and fitness for purpose. Every participant in a procurement process shall declare any conflict of interest and withdraw from the process where a conflict exists. No procurement shall be split to avoid the applicable procurement method or threshold.

(4) The PFF Secretariat shall:

(a) prepare an annual procurement plan, drawn from the annual work plan of the Fund, in the format prescribed by the Zamfara State Public Procurement Unit;

(b) track and update the procurement plan with actual dates as procurement proceeds; and

(c) maintain a contract register and procurement records for all engagements financed by the Fund.

(5) Where a development partner or development finance institution contributes to the Fund or to a project, its procurement and fiduciary requirements under the relevant Financing Agreement shall be integrated into the Fund's procedures. Where required, the development partner's no-objection shall be obtained before a procurement undertaken on behalf of a Contracting Authority is concluded.

(6) The Zamfara State Ministry of Finance may review procurement undertaken by the Fund where required, and complaints arising from procurement by the Fund shall be resolved in accordance with the Zamfara State Public Procurement Law, 2016.

(7) The procurement methods, thresholds and procedures applicable to the Fund shall be as set out in the PFF Governance and Operational Manual and the PFF Financial Management Manual.

Part VI: Risk Management and Safeguards

32. Risk Mitigation Measures

(1) The Fund shall maintain a risk management framework to identify, assess, mitigate and monitor financial, credit, funding, operational, compliance, fiscal, environmental and social, and implementation risks, both at the level of the Fund and of the projects it supports.

(2) The Audit and Risk Sub-Committee shall develop, for the approval of the Fund Management Committee, a risk management policy for the Fund covering sustainability, ethics, compliance and

other relevant risks. It shall also recommend the Fund's risk appetite and tolerance levels, and monitor risks taken against them.

(3) The Finance Sub-Committee shall develop, for the approval of the Fund Management Committee, an investment risk management policy and framework for surplus funds of the Fund.

(4) The risk mitigation instruments to be prepared by the PFF Secretariat and approved by the Fund Management Committee shall include:

(a) due diligence protocols for all applicants, Contracting Authorities, Project Companies and other funded entities;

(b) security arrangements for loans and equity investments under Window 3, including reserve accounts, pledges of assets and pledges of shares in Project Companies, as provided in the relevant Funding Agreement;

(c) milestone-based, phased disbursements;

(d) conflict of interest disclosures and declarations by members of the Fund Management Committee and its sub-committees, the PFF Secretariat and participants in procurement;

(e) conditions for refund, claw-back or suspension of Fund support;

(f) fiscal risk mitigation measures, including evaluation of fiscal commitments and estimation of contingent liabilities by the Zamfara State Ministry of Finance, and ensuring that contingent liabilities do not exceed initial estimates without the Ministry's approval; and

(g) anti-fraud, anti-corruption and whistleblowing procedures, including a secure channel for reporting suspected fraud, corruption or malpractice.

(5) In supporting projects under Window 3, the Fund shall not act as lead creditor, shall not acquire a majority stake in any Project Company, and shall monitor that:

(a) the private partner maintains more than fifty per cent (50%) of the shareholding in the Project Company;

(b) funding advanced by the Fund does not exceed the prescribed share of overall project costs; and

(c) debt and other instruments do not change the equity structure of the Project Company.

(6) The PFF Secretariat shall maintain and update a Risk Register for the Fund, setting out key risks, their likelihood and potential impact, mitigation measures and residual risk. It shall be submitted annually to the Fund Management Committee, through the Audit and Risk Sub-Committee, and summarised in the quarterly reports of the Fund.

(7) Risk assessment shall be carried out on a continuous basis, and the Audit and Risk Sub-Committee may obtain technical advice where necessary.

33. Environmental and Social Safeguards

(1) All projects and activities financed by the Fund shall be screened for environmental, climate and social risks and impacts. For PPP projects, screening shall be completed as part of the Outline Business Case in accordance with the Zamfara State PPP Manual, and a full Environmental and Social Impact Assessment shall be conducted where the screening so requires.

(2) The Fund shall ensure that its funding operations are reviewed, evaluated and monitored for compliance with:

(a) applicable federal and Zamfara State environmental and social laws, regulations and policies, including the Environmental Impact Assessment Act, the National Environmental Standards and Regulations Enforcement Agency (Establishment) Act, 2007, the Climate Change Act, 2021, and the Land Use Act;

(b) the International Finance Corporation Performance Standards on Environmental and Social Sustainability;

(c) the World Bank Group Environmental, Health and Safety Guidelines;

(d) the environmental and social requirements of any development partner co-financing the Fund or a project; and

(e) international good practice on environmental and social risk management, including gender, disability and social inclusion safeguards.

(3) The Fund shall:

(a) integrate environmental and social risks into its application assessment process;

(b) support projects to be designed, built, operated and maintained in line with the requirements of sub regulation (2);

(c) ensure that staff of the PFF Secretariat are trained in, and aware of, their environmental and social responsibilities;

(d) promote projects with environmental and social benefits; and

(e) promote projects that avoid or minimise land acquisition and resettlement through appropriate choice of location or design. Where land acquisition or resettlement cannot be avoided, affected

persons shall be compensated in accordance with the applicable law and the requirements of sub regulation (2), and their livelihoods restored.

(4) Contracting Authorities and Project Companies shall comply with the requirements of sub regulation (2) in developing, constructing and operating their projects. They shall adequately cover environmental and social aspects in the supporting documents submitted with their funding applications.

(5) The Officer Administering the Fund shall designate an officer of the PFF Secretariat, or of the PPP Unit of the Agency, as Safeguards Officer, responsible for ensuring that environmental, social and governance standards are integrated across the operations of the Fund.

(6) The Fund Management Committee may, on the recommendation of the Officer Administering the Fund, apply proportionate safeguards requirements to smaller or lower-risk projects and activities, provided that no project shall be exempted from the requirements of applicable law.

34. Anti-Corruption and Fiduciary Requirements

(1) All projects and activities financed by the Fund shall be screened for environmental, climate and social risks and impacts. For PPP projects, screening shall be completed as part of the Outline Business Case in accordance with the Zamfara State PPP Manual, and a full Environmental and Social Impact Assessment shall be conducted where the screening so requires.

(2) The Fund shall ensure that its funding operations are reviewed, evaluated and monitored for compliance with:

(a) applicable federal and Zamfara State environmental and social laws, regulations and policies, including the Environmental Impact Assessment Act, the National Environmental Standards and Regulations Enforcement Agency (Establishment) Act, 2007, the Climate Change Act, 2021, and the Land Use Act;

(b) the International Finance Corporation Performance Standards on Environmental and Social Sustainability;

(c) the World Bank Group Environmental, Health and Safety Guidelines;

(d) the environmental and social requirements of any development partner co-financing the Fund or a project; and

(e) international good practice on environmental and social risk management, including gender, disability and social inclusion safeguards.

(3) The Fund shall:

- (a) integrate environmental and social risks into its application assessment process;
 - (b) support projects to be designed, built, operated and maintained in line with the requirements of sub regulation (2);
 - (c) ensure that staff of the PFF Secretariat are trained in, and aware of, their environmental and social responsibilities;
 - (d) promote projects with environmental and social benefits; and
 - (e) promote projects that avoid or minimise land acquisition and resettlement through appropriate choice of location or design. Where land acquisition or resettlement cannot be avoided, affected persons shall be compensated in accordance with the applicable law and the requirements of sub regulation (2), and their livelihoods restored.
- (4) Contracting Authorities and Project Companies shall comply with the requirements of sub regulation (2) in developing, constructing and operating their projects. They shall adequately cover environmental and social aspects in the supporting documents submitted with their funding applications.
- (5) The Officer Administering the Fund shall designate an officer of the PFF Secretariat, or of the PPP Unit of the Agency, as Safeguards Officer, responsible for ensuring that environmental, social and governance standards are integrated across the operations of the Fund.
- (6) The Fund Management Committee may, on the recommendation of the Officer Administering the Fund, apply proportionate safeguards requirements to smaller or lower-risk projects and activities, provided that no project shall be exempted from the requirements of applicable law.

Part VII: Miscellaneous Provisions

35. Amendments to the Regulation

- (1) These Regulations may be amended, varied or revoked by the Zamfara Investment Promotion Agency, with the approval of the Board of the Agency, on the recommendation of the Fund Management Committee or the Officer Administering the Fund.
- (2) A proposed amendment shall, before approval:
- (a) be circulated for review to relevant stakeholders, including the Zamfara State Ministry of Finance, the Planning and Budget Commission, Contracting Authorities and contributing development partners, as appropriate; and
 - (b) be vetted by the Zamfara State Ministry of Justice for legality and consistency with the Executive Order and other applicable laws.

(3) Where a Financing Agreement with a development partner so requires, the Agency shall obtain the development partner's no-objection before approving an amendment affecting the use of that partner's funds.

(4) An amendment shall take effect on publication in the Zamfara State Gazette, or on such later date as may be specified in it.

(5) Where the Executive Order is modified, or a law establishing the Fund as a statutory fund is enacted, the Agency shall review these Regulations and make such amendments as are necessary for consistency. Any provision of these Regulations inconsistent with the Executive Order, as modified, or with such law shall be void to the extent of the inconsistency.

(6) No amendment, variation or revocation of these Regulations shall affect any Funding Agreement, commitment or disbursement validly made before it takes effect, unless the parties agree otherwise.

(7) The PFF Governance and Operational Manual, the PFF Financial Management Manual and the PFF Audit Manual may be amended by the Fund Management Committee in accordance with the amendment procedures set out in those Manuals, provided that no amendment to a Manual shall be inconsistent with these Regulations.

36. Transitional and Savings Provisions

(1) From the commencement of these Regulations, any guideline, guidance note, manual or other instrument previously issued by the Zamfara Investment Promotion Agency in relation to the Fund, including the PFF Guidelines, the PFF Governance and Operational Manual, the PFF Financial Management Manual and the PFF Audit Manual, shall continue in effect only to the extent that it is consistent with these Regulations. Any provision of such an instrument that is inconsistent with these Regulations shall cease to have effect to the extent of the inconsistency.

(2) In the event of any inconsistency between these Regulations and:

(a) the Constitution of the Federal Republic of Nigeria 1999 (as amended);

(b) the Zamfara Investment Promotion Agency Law, 2023, or any other Law of the Zamfara State House of Assembly; or

(c) the Executive Order,

the provisions of the Constitution, the Law or the Executive Order shall prevail, and these Regulations shall be void to the extent of the inconsistency.

(3) In the event of any inconsistency between these Regulations and the Zamfara State PPP Policy or PPP Manual, in relation to the administration and operation of the Fund, the provisions of these Regulations shall prevail.

(4) In the event of any ambiguity in the interpretation of these Regulations, the interpretation that best promotes transparency, accountability, value for money and the efficient use of the Fund, in line with the objectives of these Regulations and the Executive Order, shall be preferred.

(5) The Officer Administering the Fund may, on request, issue written clarifications on the operation of these Regulations. Where a question of interpretation arises that the Officer Administering the Fund cannot resolve, it shall be referred to the Fund Management Committee, which may seek the advice of the Zamfara State Ministry of Justice. The Committee's decision shall be binding for the purposes of the Fund, subject to the jurisdiction of the courts.

37. Issuance of Governance and Operations Manual

- a. The Zamfara Investment Promotion Agency will develop, maintain, and periodically update a comprehensive Governance and Operations Manual to operationalise the provisions of this Regulation and provide procedural direction for the effective administration of the Project Facilitation Fund.
- b. The Manual will set out detailed procedures relating to, but not limited to:
 - i. project eligibility screening and prioritisation;
 - ii. submission, evaluation, and approval of funding applications;
 - iii. procurement and contract management under Fund-supported activities;
 - iv. disbursement modalities and financial controls;
 - v. monitoring, reporting, and evaluation; and
 - vi. risk management, safeguards compliance, and performance measurement.
- c. The Manual will be subject to review and approval by the Fund Management Committee and will become binding on all Fund beneficiaries and participating State entities upon its issuance.
- d. Revisions to the Manual will be made where necessary to reflect changes in national or State policy direction, Fund governance improvements, or emerging best practices, provided that all amendments are approved by the Fund Management Committee and documented in an official record.
- e. Where conflict arises between the Manual and this Regulation, the provisions of this Regulation will prevail.

38. Citation of Precedent Laws

This Regulation shall be read in conjunction with:

This Regulation shall be read together with –

- (a) the Constitution of the Federal Republic of Nigeria, 1999 (as amended);
- (b) the Zamfara State Project Facilitation Fund Executive Order, 2025;

(c) the Zamfara State Investment Promotion Agency Law, 2023;

(d) the Zamfara State PPP Policy, 2020 and PPP Manual, 2020