



ZIPA

Zamfara Investment
Promotion Agency

ZAMFARA STATE GOVERNMENT

ZAMFARA INVESTMENT PROMOTION AGENCY (ZIPA)

GOVERNANCE RULES AND OPERATIONAL MANUAL FOR THE

ZAMFARA STATE PROJECT FACILITATION FUND (PFF)

DECEMBER, 2025

TABLE OF CONTENTS

TABLE OF CONTENTS	-	-	-	-	-	-	-	-	ii
LIST OF TABLES	-	-	-	-	-	-	-	-	v
LIST OF FIGURES	-	-	-	-	-	-	-	-	vi
LIST OF ACRONYMS / ABBREVIATIONS	-	-	-	-	-	-	-	-	vii
DEFINITION OF TERMS	-	-	-	-	-	-	-	-	viii
1. INTRODUCTION	-	-	-	-	-	-	-	-	1
1.1 Purpose and Scope of the Manual	-	-	-	-	-	-	-	-	1
1.2 Objectives of the Manual	-	-	-	-	-	-	-	-	2
1.3 Usage of the Manual	-	-	-	-	-	-	-	-	3
1.4 Structure of the Manual	-	-	-	-	-	-	-	-	4
2. FUND OVERVIEW	-	-	-	-	-	-	-	-	5
2.1 Objective of the Fund	-	-	-	-	-	-	-	-	5
2.2 Functions of the Fund	-	-	-	-	-	-	-	-	6
2.3 Sources of Funds	-	-	-	-	-	-	-	-	6
2.4 Eligible Projects and Activities	-	-	-	-	-	-	-	-	7
2.5. Eligible Entities for Funding	-	-	-	-	-	-	-	-	7
2.6. Exclusions from Funding	-	-	-	-	-	-	-	-	8
3. FUND GOVERNANCE ARRANGEMENTS	-	-	-	-	-	-	-	-	9
3.1 Fund Management Committee	-	-	-	-	-	-	-	-	10
3.2 Officer Administering the Fund	-	-	-	-	-	-	-	-	12
3.3 PFF Secretariat	-	-	-	-	-	-	-	-	13
4. FLOW OF FUNDS	-	-	-	-	-	-	-	-	14
4.1 Fund Bank Accounts	-	-	-	-	-	-	-	-	14
4.2 Inflows to the Fund	-	-	-	-	-	-	-	-	15
4.3 Outflows from the Fund	-	-	-	-	-	-	-	-	15
5. OPERATIONS OF THE FUND	-	-	-	-	-	-	-	-	16
5.1 Business Planning and Financing Policy	-	-	-	-	-	-	-	-	16
5.2 Funding Windows	-	-	-	-	-	-	-	-	17
5.3 Management of Funding Applications	-	-	-	-	-	-	-	-	17
5.4 Funding Agreement	-	-	-	-	-	-	-	-	18
5.5 Fund Disbursement	-	-	-	-	-	-	-	-	19
5.6 Fund Disbursement Tracking and Documentation	-	-	-	-	-	-	-	-	20
6. PROCUREMENT AND CONTRACT MANAGEMENT	-	-	-	-	-	-	-	-	21
6.1 Procurement Principles and Framework	-	-	-	-	-	-	-	-	21
6.2 Procurement Responsibilities	-	-	-	-	-	-	-	-	22
6.3 Procurement Planning and Thresholds	-	-	-	-	-	-	-	-	23
6.4 Engagement of Consultants and Transaction Advisors	-	-	-	-	-	-	-	-	23
6.5 Contract Management	-	-	-	-	-	-	-	-	24
6.6 Records and Documentation	-	-	-	-	-	-	-	-	25

6.7 Procurement Monitoring and Reporting	-	-	-	-	-	-	26
7. AUDIT AND INTERNAL CONTROL	-	-	-	-	-	-	27
7.1 Internal Control Framework	-	-	-	-	-	-	27
7.2 Internal Audit	-	-	-	-	-	-	28
7.3 External Audit	-	-	-	-	-	-	29
7.4 Fraud, Misuse, and Financial Irregularity Response	-	-	-	-	-	-	30
7.5 Monitoring, Learning, and Continuous Improvement	-	-	-	-	-	-	31
8. ANTI-FRAUD, CORRUPTION, AND SAFEGUARD MEASURES	-	-	-	-	-	-	32
8.1 Anti-Fraud and Anti-Corruption Policy	-	-	-	-	-	-	32
8.2 Environmental and Social Safeguards	-	-	-	-	-	-	33
8.3 Anti-Fraud, Corruption and Safeguards Charter	-	-	-	-	-	-	34
8.4 Institutional Responsibilities	-	-	-	-	-	-	34
9. DURATION AND WINDING UP OF THE FUND	-	-	-	-	-	-	35
9.1 Permanence and Review Cycle	-	-	-	-	-	-	36
9.2 Conditions for Winding Up or Restructuring	-	-	-	-	-	-	37
9.3 Treatment of Outstanding Commitments	-	-	-	-	-	-	38
9.4 Institutional Transition Arrangements	-	-	-	-	-	-	39
10. FUND PERFORMANCE MANAGEMENT FRAMEWORK	-	-	-	-	-	-	45
10.1 Key Performance Areas	-	-	-	-	-	-	45
10.2 Performance Indicators	-	-	-	-	-	-	46
10.3 Monitoring and Reporting Cycle	-	-	-	-	-	-	47
10.4 Independent Evaluation	-	-	-	-	-	-	48
10.5 Feedback and Adaptive Learning 4	-	-	-	-	-	-	8
10.6 Integration with State-Level Monitoring Systems	-	-	-	-	-	-	48
ANNEXURE 1: TERMS OF REFERENCE FOR THE PFF SECRETARIAT	-	-	-	-	-	-	50
APPENDIX 2: SAMPLE PROJECT FACILITATION FUNDING AGREEMENT	-	-	-	-	-	-	52
APPENDIX 3: SAMPLE PFF APPLICATION FORM TEMPLATE	-	-	-	-	-	-	53
APPENDIX 4: SAMPLE PROJECT EVALUATION AND SCORING TEMPLATE	-	-	-	-	-	-	54
APPENDIX 5: SAMPLE ANNUAL REPORT TEMPLATE	-	-	-	-	-	-	56

LIST OF TABLES

Table 1.1: Core Objectives of the PFF Governance and Operations Manual	-	-	2
Table 1.2: Primary Users and Application of the Manual	-	-	3
Table 1.3: Detailed Structure of the Governance and Operations Manual	-	-	4
Table 2.1: Strategic Objectives and Intended Outcomes	-	-	6
Table 2.2: PFF Support Windows and Functional Scope	-	-	6
Table 2.3: Fund Source Management	-	-	8
Table 3.1: Key Responsibilities of the PFF Steering Committee	-	-	11
Table 3.2: Principal Functions of the Officer Administering the Fund (OAF)	-	-	12
Table 3.3: Core Functions of the PFF Secretariat	-	-	14
Table 4.1: PFF Bank Account Structure and Function	-	-	16
Table 5.1: Core Tenets of the PFF Financing Policy	-	-	20
Table 5.2: PFF Support Windows – Purpose and Scope	-	-	20
Table 5.3: Application Screening Criteria	-	-	22
Table 5.4: Standardized Disbursement Process	-	-	25
Table 6.1: Foundational Procurement Principles for PFF-Supported Activities	-	-	27
Table 6.2: Applicable Procurement Methods and Consultancy Selection	-	-	29
Table 7.1: Key Internal Control Mechanisms within PFF Operations	-	-	34
Table 8.1: Environmental and Social Safeguard Implementation Process	-	-	39
Table 9.1: Conditions and Triggers for Winding Up or Restructuring	-	-	42
Table 10.1: Performance Indicators by Key Performance Area	-	-	46
Table 10.2: Mandatory Performance Reporting Schedule	-	-	47
Table 1 (Annexure 1): PFF Secretariat Core Structure	-	-	51

LIST OF FIGURES

Figure 2.1: PFF Intervention in the PPP Project Lifecycle (Referenced in Section 2.2)	-	7
Figure 3.1: PFF Governance and Reporting Structure	- - - - -	10
Figure 4.1: Flow of Funds Through PFF Bank Accounts	- - - - -	17
Figure 5.1: PFF Intervention Points in the PPP Project Cycle	- - - - -	21
Figure 9.1: The PFF Winding-Up Process Flow	- - - - -	44

LIST OF ACRONYMS / ABBREVIATIONS

ADR	Alternative Dispute Resolution
AfDB	African Development Bank
APP	Annual Procurement Plan
CA	Contracting Authority
CBN	Central Bank of Nigeria
CDP	Comprehensive Development Plan / Framework
DFI	Development Finance Institution
DLI	Disbursement Linked Indicator
DP	Development Partner
EFCC	Economic and Financial Crimes Commission (Nigeria)
EOI	Expression of Interest
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Safeguards
FAL	Feedback and Adaptive Learning
FMM	Financial Management Manual
FPIC	Free, Prior, and Informed Consent
GRM	Grievance Redress Mechanism
ICPC	Independent Corrupt Practices Commission (Nigeria)
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
J-TSA (J)	Treasury Single Account (Zamfara State)
KPA	Key Performance Area
KPI	Key Performance Indicator
LARAP	Land Acquisition and Resettlement Action Plan
LGA	Local Government Area
MDA	Ministry, Department, or Agency
MDB	Multilateral Development Bank
MEL	Monitoring, Evaluation, and Learning
MIS	Management Information System
MTEF	Medium-Term Expenditure Framework
NCB	National Competitive Bidding
OAF	Officer Administering the Fund
OAG	Office of the Auditor-General
PAM	PFF Audit Manual
PFF	Project Facilitation Fund
PFF-SC	PFF Steering Committee
PPP	Public-Private Partnership
QBS	Quality-Based Selection
QCBS	Quality- and Cost-Based Selection
RFP	Request for Proposals
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
SPV	Special Purpose Vehicle
SSS	Single-Source Selection
TA	Transaction Advisor
TOR	Terms of Reference
VfM	Value for Money
VGf	Viability Gap Funding
Z-SIFMIS	Zamfara State Integrated Financial Management Information System
ZIPA	Zamfara Investment and Promotion Agency
ZSBPP	Zamfara State Bureau of Public Procurement
ZSMoF	Zamfara State Ministry of Finance

DEFINITION OF TERMS

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

Budget Circular: A directive issued by the Zamfara State Ministry of Finance (ZSMoF) to MDAs detailing guidelines, formats, and timelines for preparing the annual budget.

Contracting Authority (CA): A Ministry, Department, Agency (MDA), or Local Government Council of Zamfara State that is legally empowered to initiate, procure, and act as the government counterpart in a PPP agreement.

Contingent Liability: A potential financial obligation of the State that arises from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the State's control (e.g., a termination payment under a PPP contract).

Development Partner (DP); A multilateral or bilateral institution (e.g., World Bank, AfDB) or development finance institution that provides financial resources, technical assistance, and/or oversight to the PFF.

Environmental and Social Impact Assessment (ESIA): A comprehensive process for predicting and evaluating the potential environmental and social impacts of a proposed project, including proposed mitigation measures.

Feasibility Study: A detailed analysis conducted to determine the technical, financial, legal, environmental, and economic viability of a proposed PPP project before significant resources are committed.

Funding Agreement; A legally binding contract between the PFF and a Recipient (CA or SPV) that outlines the terms, conditions, disbursement schedule, and obligations for the provision of PFF support.

Officer Administering the Fund (OAF): The principal executive officer responsible for the overall administration and performance of the PFF. This role is designated to the Executive Secretary.

Project Facilitation Fund (PFF): A dedicated, ring-fenced financial vehicle established under ZIPA to provide targeted financial support for the preparation, development, and implementation of PPP projects in Zamfara State.

Public-Private Partnership (PPP): A long-term contractual arrangement between a public entity (CA) and a private partner for the provision of public infrastructure or services, where the private partner bears significant risk and management responsibility.

Special Purpose Vehicle (SPV): A legal entity (usually a limited liability company) created specifically to finance, build, own, and operate a single PPP project.

Transaction Advisor (TA): A consultant or firm engaged to provide expert advice on the structuring, tendering, negotiation, and financial close of a PPP project.

Viability Gap Funding (VGF): A grant or conditional payment provided by the PFF (Window 3) to make a socially desirable but financially marginal PPP project commercially viable and attractive to private investors.

Value for Money (VfM): The optimum combination of whole-life cost, quality, sustainability, and fitness for purpose to meet the user's requirement. In PPPs, it is a demonstration that the project is more advantageous than traditional public procurement.

1. INTRODUCTION

The Zamfara State Project Facilitation Fund (PFF) has been established as a strategic financial instrument under the auspices of the Zamfara Investment and Promotion Agency (ZIPA). Its primary mandate is to catalyze the development and implementation of critical public infrastructure and services through viable Public-Private Partnership (PPP) arrangements. The Fund is designed to address systemic constraints in the PPP project lifecycle by providing targeted financial support, thereby enhancing project bankability, mitigating key risks, and attracting private sector investment into priority sectors of the state's economy.

This Governance and Operations Manual (the Manual) constitutes the principal framework governing the establishment, administration, and operational conduct of the PFF. It is formulated in accordance with the provisions of the Executive Order No 5 of 2025, issued by the Executive Governor of Zamfara State dated Wednesday, December 17, 2025, and the Zamfara State PPP Policy Framework. The Manual provides a comprehensive blueprint to ensure all activities of the Fund are executed with the highest standards of transparency, accountability, fiduciary responsibility, and in compliance with both state regulations and the requirements of its financial partners, including Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs).

The necessity for this Manual arises from the recognition that effective PPP delivery requires not only a sound policy environment but also dedicated financial mechanisms to cover preparatory costs, address viability gaps, and manage fiscal risks. The PFF, through its structured support windows, is positioned to be a cornerstone of Zamfara State's strategy for infrastructure-led development, facilitating a sustainable pipeline of well-structured, investment-ready projects.

1.1 Purpose and Scope of the Manual

The purpose of this Manual is to establish the definitive operational, administrative, and governance protocols for the Zamfara State PFF. It serves as the authoritative reference document, ensuring uniformity, clarity, and consistency in the management and disbursement of Fund resources.

Primary Purposes:

1. **To Institutionalize Governance:** Provide a clear and robust governance structure that delineates the roles, responsibilities, and decision-making authorities of all entities involved in the PFF's oversight and management, including the ZIPA Board, the PFF Steering Committee, the Officer Administering the Fund (OAF), and the PFF Secretariat.
2. **To Standardize Operations:** Detail systematic procedures for all core PFF functions, including fund mobilization, application processing, due diligence, approval, contracting, disbursement, financial management, procurement, monitoring, and reporting.
3. **To Ensure Compliance and Accountability:** Formally outline the mechanisms for ensuring adherence to the Zamfara State Public Finance Management Law, PPP regulations, international accounting standards (IPSAS), and specific covenants agreed with Development Partners. It establishes the framework for internal controls, audit trails, and performance evaluation.
4. **To Facilitate Stakeholder Engagement:** Serve as a communication tool for all stakeholders including Contracting Authorities (MDAs), private partners, Development Partners, and auditors by clearly defining processes, eligibility criteria, and reporting requirements.

Scope of Application:

This Manual applies comprehensively to all aspects of the PFF's operations. Its provisions govern:

- The management of all financial inflows into the Fund from state allocations, Development Partners, and other approved sources.

- The process for evaluating and approving requests for financial support under the four designated support windows.
- The financial administration, accounting, treasury management, and reporting of all Fund resources.
- The procurement of goods and services financed by the PFF.
- The monitoring, evaluation, and performance assessment of both the Fund as an institution and the projects it supports.
- The ethical conduct, anti-fraud measures, and whistleblowing procedures applicable to all PFF activities and personnel.

The Manual is supported by two subsidiary documents: the PFF Financial Management Manual (FMM), which elaborates detailed financial procedures, and the PFF Audit Manual (PAM), which governs the internal and external audit requirements.

1.2 Objectives of the Manual

The Manual is designed to achieve the following specific objectives, which collectively ensure the PFF operates as an effective, efficient, and credible institution:

Table 1.1: Core Objectives of the PFF Governance and Operations Manual

OBJECTIVE NO.	STRATEGIC OBJECTIVE	DETAILED DESCRIPTION
1.2.1	Establish Clear Governance and Accountability	To define a hierarchical yet collaborative governance framework that separates strategic oversight (ZIPA Board), operational guidance (PFF-SC), and day-to-day management (OAF and Secretariat), ensuring clear lines of authority and accountability.
1.2.2	Standardize Fund Access and Management Procedures	To create transparent, predictable, and equitable processes for Contracting Authorities to access PFF support, from initial application through to final disbursement and project completion, thereby reducing uncertainty and delays.
1.2.3	Ensure Fiscal Discipline and Financial Integrity	To institute rigorous financial management policies in line with IPSAS and state regulations, covering budgeting, accounting, treasury, internal controls, and audit, thereby safeguarding public and partner funds.
1.2.4	Promote Transparency and Stakeholder Confidence	To mandate regular, detailed reporting and public disclosure of PFF activities, financial performance, and project outcomes, building trust among investors, development partners, and the public.
1.2.5	Enable Effective Monitoring, Evaluation and Learning	To implement a results-based management framework with key performance indicators (KPIs) for tracking the Fund's impact, facilitating adaptive management, and capturing lessons for continuous improvement.
1.2.6	Mitigate Operational and Fiduciary Risks	To identify potential risks across the PFF's operations including financial, operational, reputational, and compliance risks and establish proactive mitigation strategies and internal controls.
1.2.7	Facilitate Compliance with Legal and Partner Requirements	To ensure all PFF operations are conducted in strict compliance with the ZIPA Law, State PPP Policy, and the specific legal and financial covenants stipulated in agreements with Development Partners.

1.3 Usage of the Manual

This Manual is intended as a practical working document for a defined set of primary users, each with specific roles and responsibilities within the PFF ecosystem. Understanding its contents is imperative for the effective execution of their duties.

Table 1.2: Primary Users and Application of the Manual

USER GROUP	PRIMARY ROLE IN RELATION TO PFF	HOW THEY USE THE MANUAL
ZIPA Board	Provides ultimate strategic direction, approves major policies, budgets, and high-value funding applications.	Serves as the reference for governance protocols, approval thresholds, reporting requirements, and their fiduciary oversight responsibilities.
PFF Steering Committee (PFF-SC)/ Audit and Risk Committee	Offers technical and operational oversight, reviews funding applications, monitors implementation, and advises the ZIPA Board.	Guides the committee's assessment criteria, meeting procedures, review processes, and monitoring functions.
Officer Administering the Fund (OAF)	The principal executive responsible for the Fund's overall administration and performance, often the Executive Secretary.	The definitive source for the OAF's mandates, authority limits, reporting obligations, and management responsibilities.
PFF Secretariat (ZIPA PPP Unit)	Executes the day-to-day operational, administrative, and financial management of the Fund.	Acts as the step-by-step procedural guide for all core activities: application processing, due diligence, contracting, disbursement, financial recording, procurement, and reporting.
Contracting Authorities (MDAs/LGs)	Entities that initiate, procure, and manage PPP projects and are the primary recipients of PFF support.	Informs CAs of their eligibility, the application process, required documentation, contractual obligations under Funding Agreements, and reporting duties.
Development Partners (DPs)	Provide financial resources, technical assistance, and oversight for the PFF.	Clarifies the Fund's operational framework, financial management standards, procurement rules, and reporting schedules, assuring DPs of sound stewardship.
Auditors (Internal and External)	Conduct independent assessments of the PFF's financial statements, compliance, and internal controls.	Provides the baseline policies and procedures against which auditor evaluations are conducted, ensuring audits are aligned with the Fund's established framework.

1.4 Structure of the Manual

To ensure logical flow and ease of reference, this Manual is organized into a sequence of detailed sections, each addressing a core component of the PFF's governance and operations. The structure is designed to guide the user from foundational principles through to specific procedural requirements.

Table 1.3: Detailed Structure of the Governance and Operations Manual

Section	Title	Core Content Overview
Section 1	Introduction	Presents the Manual's rationale, its purpose, objectives, intended users, and structural outline. Provides a high-level overview of the PFF's mandate and legal foundation. Subsections include: Purpose and Scope, Objectives, Usage, and Structure of the Manual.
Section 2	Fund Overview	Defines the Fund's overarching objectives, functions, sources of financing, eligible projects and activities, eligible entities for funding, and exclusions. Establishes the PFF's role as a catalytic instrument for PPP development.
Section 3	Fund Governance Arrangements	Details the governance architecture, including the ZIPA Board, PFF Steering Committee, Officer Administering the Fund (OAF), and the PFF Secretariat. Defines reporting lines, oversight responsibilities, and decision-making protocols.
Section 4	Flow of Funds	Explains guiding principles and procedures for financial inflows and outflows. Covers bank account structures, processes for drawing funds from the State and Development Partners, and mechanisms for disbursement to beneficiaries.
Section 5	Operations of the Fund	Describes the end-to-end operational cycle, including business planning, financing policy, funding windows, application management (screening, assessment, approval), contracting, disbursement, and documentation.
Section 6	Procurement and Contract Management	Establishes procurement rules and procedures in compliance with State procurement law. Covers procurement planning, responsibilities, thresholds,

		engagement of consultants and transaction advisors, contract administration, record-keeping, and reporting.
Section 7	Audit and Internal Control	Outlines the internal control framework, internal and external audit processes, fraud and misuse response mechanisms, and continuous improvement measures. Ensures fiscal discipline and accountability.
Section 8	Anti-Fraud, Corruption, and Safeguard Measures	Articulates the Fund's zero-tolerance policy on fraud and corruption. Defines environmental and social safeguard requirements, institutional responsibilities, and the Anti-Fraud, Corruption and Safeguards Charter.
Section 9	Duration and Winding Up of the Fund	Stipulates permanence, review cycles, and conditions for winding up or restructuring. Details treatment of outstanding commitments and institutional transition arrangements.
Section 10	Fund Performance Management Framework	Defines performance management systems, including key performance areas, indicators, monitoring and reporting cycles, independent evaluation, feedback mechanisms, and integration with state-level monitoring systems.
Annexures	Supporting Templates and Documents	Contains operational templates such as application forms, reporting formats, funding agreement outlines, and terms of reference for committees and functionaries.

2. FUND OVERVIEW

The Zamfara State Project Facilitation Fund (PFF) is established as a dedicated, ring-fenced financial vehicle designed to strategically accelerate the deployment of Public-Private Partnerships (PPPs) for critical infrastructure and service delivery. Its core mandate is to address systemic financial and technical bottlenecks that commonly impede the development and bankability of PPP projects. By providing targeted, catalytic support across the project lifecycle, the PFF mitigates key investment risks, enhances project attractiveness to private capital, and ensures the State's strategic development priorities are realized through robust, sustainable partnerships.

Operationalized under the legal and policy framework of the Zamfara Investment and Promotion Agency (ZIPA), the Fund operates as a revolving financing mechanism. It is governed by a structured oversight regime to ensure fiscal discipline, strategic alignment, and transparent stewardship of resources drawn from both State allocations and Development Partner contributions. The following sections delineate the Fund's foundational objectives, operational functions, resource origins, and parameters for eligibility.

2.1 Objective of the Fund

The paramount objective of the Zamfara State PFF is to function as a catalytic agent for infrastructure development by mobilizing and strategically deploying financial resources to unlock private sector investment in PPPs. The Fund aims to enhance the State's capacity to prepare, procure, and implement commercially viable and socially beneficial PPP projects.

This overarching objective is realized through the pursuit of the following specific, interrelated goals:

1. **To Bridge Critical Funding Gaps:** To provide timely and structured financial support that addresses common funding deficiencies, particularly in the early, preparatory stages of PPP projects where public budgets are often constrained, thereby preventing viable projects from stalling.
2. **To Enhance Project Bankability and Investor Appeal:** To improve the financial viability and risk profile of strategically important projects through mechanisms such as Viability Gap Funding (VGF) and credit enhancement, making them more attractive to credible private investors and lenders.
3. **To Strengthen Institutional and Technical Capacity:** To build and sustain the requisite expertise within Contracting Authorities and the PPP Unit for the effective development, procurement, and management of complex PPP arrangements, ensuring long-term program sustainability.
4. **To Provide Fiscal Risk Management:** To establish a structured and predictable mechanism for managing designated contingent liabilities arising from PPP agreements, thereby safeguarding the State's fiscal stability and reinforcing its credibility as a reliable contract partner.
5. **To Stimulate a Sustainable Project Pipeline:** To systematically cultivate a continuous pipeline of well-structured, investment-ready PPP projects aligned with the State's Comprehensive Development Framework, ensuring the long-term momentum of the infrastructure development agenda.

Table 2.1: Strategic Objectives and Intended Outcomes

Strategic Objective	Primary Mechanism	Intended Outcome
Catalyze Private Investment	Provision of Viability Gap Funding (VGF) and preparatory grants.	Increased private capital inflow into State priority sectors; accelerated project financial close.
De-risk Project Preparation	Financing for feasibility studies, transaction advisory, and land acquisition.	Higher-quality project structuring; reduced incidence of failed procurements; improved Value for Money.
Build Institutional Competence	Funding for capacity-building programs, technical assistance, and specialized systems.	Enhanced in-house capability of MDAs to manage PPPs; reduced dependency on external consultants.
Manage State Fiscal Exposure	Ring-fenced Contingent Liability reserve and clear settlement procedures.	Improved sovereign risk rating; greater confidence among investors and financial institutions.

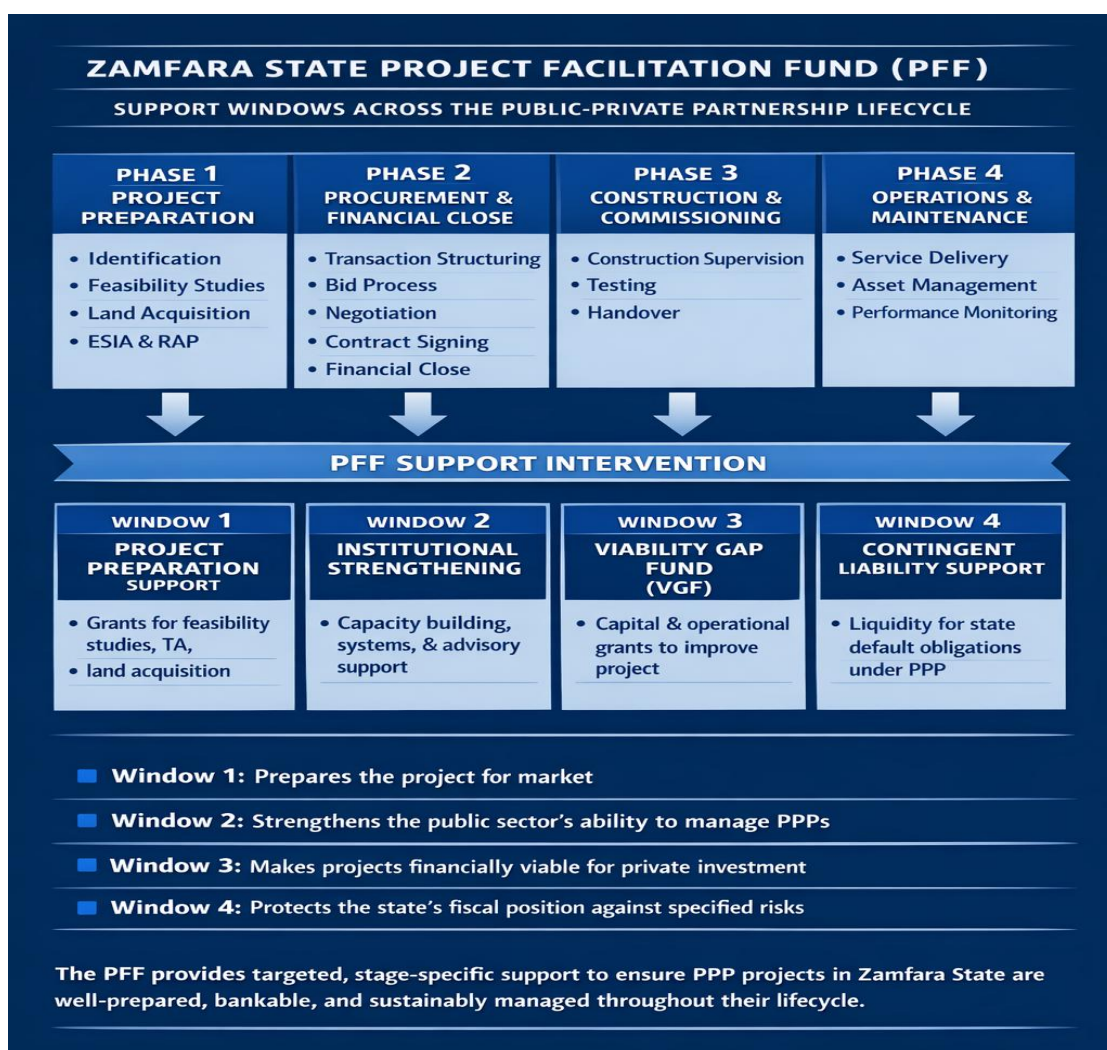
Ensure Strategic Alignment	Eligibility linked to State PPP Pipeline and sectoral priorities.	Coordinated infrastructure development that directly supports economic growth and service delivery goals.
-----------------------------------	---	---

2.2 Functions of the Fund

The PFF executes its mandate through four distinct, complementary support windows. Each window is designed to intervene at specific phases of the PPP project cycle, addressing unique challenges and requirements.

Table 2.2: PFF Support Windows and Functional Scope

Support Window	Primary Function	Eligible Activities and Interventions
Window 1: Project Preparation Support	To finance the initial costs of developing robust, bankable PPP project proposals.	<ul style="list-style-type: none"> - Land acquisition, compensation, and resettlement action plans. - Sector studies, pre-feasibility, and detailed feasibility studies (technical, financial, legal, environmental). - Transaction advisory services for structuring, tender preparation, and negotiation support. - Costs associated with competitive tender processes and pre-bid conferences.
Window 2: Institutional Strengthening	To build the enduring capacity of the public sector to originate, manage, and oversee PPP projects.	<ul style="list-style-type: none"> - Technical consultancy and advisory support to the ZIPA PPP Unit. - Capacity building and training programs for MDA staff. - Procurement of specialized PPP management software and MIS. - Development of knowledge resources, model contracts, and sector-specific guidelines. - Critical recurrent operational costs for the PFF Secretariat.
Window 3: Viability Gap Funding (VGF)	To enhance the financial attractiveness of socially essential but commercially marginal projects through targeted co-financing.	<ul style="list-style-type: none"> - Capital Grants: To cover a portion of construction or asset acquisition costs. - Revenue Support: Operational grants or availability payments to subsidize user tariffs during initial operations or where full cost recovery is not feasible. - Output-Based Aid: Payments linked to the verified delivery of specified services or performance standards.
Window 4: Contingent Liability Support	To provide a dedicated source of liquidity for legitimate payment obligations arising from predefined trigger events under PPP contracts, primarily related to State default.	<ul style="list-style-type: none"> - Settlement of materialized contingent liabilities (e.g., termination payments) as verified and mandated under the relevant Project Agreement. - <i>Note: Liabilities arising from Contracting Authority default remain the CA's responsibility.</i>



2.3 Sources of Funds

The financial sustainability and operational capacity of the PFF are secured through a diversified capitalization strategy, drawing from both domestic public resources and external development financing. This multi-source approach mitigates reliance on any single funding stream.

The Fund shall be capitalized from the following approved sources:

1. **Annual State Budgetary Appropriations:** Recurrent and capital allocations approved by the Zamfara State House of Assembly and disbursed through the Ministry of Finance, as stipulated in the annual Appropriation Act.
2. **Development Partner Contributions:** Grants, concessional loans, and technical assistance facilities provided by multilateral and bilateral institutions such as the World Bank, African Development Bank (AfDB), and other accredited development finance partners.
3. **Project Success Fees and Premiums:** A share of upfront premiums or success fees levied on successful private partners upon the financial close of PFF-supported projects, as determined by the ZIPA Board and stipulated in Funding Agreements.
4. **Recoveries and Repayments:** Reimbursement of recoverable advances provided to Contracting Authorities for project preparation and the repayment of any sums advanced for contingent liability settlement.
5. **Investment Income:** Returns generated from the prudent investment of temporary cash surpluses held by the Fund, in accordance with an approved investment policy.

6. **Other Legally Approved Sources:** Any other revenue streams as may be subsequently authorized by the Zamfara State Executive Council upon formal recommendation.

Table 2.3: Fund Source Management

SOURCE	NATURE OF FUNDS	PRIMARY DESIGNATION
State Budget	Unrestricted / Restricted	Core operational funding; support for Windows 1, 2, and capitalization of Window 4.
Development Partner Grants	Often Restricted by Window/Sector	Targeted co-financing for specific windows, sectors, or capacity-building initiatives.
Success Fees and Recoveries	Unrestricted	Revolving capital to support new project cycles, enhancing Fund sustainability.
Investment Income	Unrestricted	To offset operational costs and bolster Fund reserves.

2.4 Eligible Projects and Activities

Eligibility for PFF support is contingent upon strategic alignment with State development goals and adherence to formal PPP processes. Support is exclusively directed towards projects and activities that demonstrably advance the establishment of viable PPPs.

Eligible Projects:

The PFF will consider projects across all infrastructure and public service sectors prioritized within the Zamfara State Comprehensive Development Framework. This includes, but is not limited to:

- Transportation (roads, bridges, transport terminals)
- Water Supply, Sanitation, and Irrigation
- Healthcare Facilities and Services
- Educational Infrastructure
- Energy Generation and Distribution
- Agricultural Value-Chain and Agro-Processing Facilities
- Solid Waste Management and Environmental Services

A fundamental prerequisite is that the project must be formally registered on the official Zamfara State PPP Project Pipeline, which is maintained and periodically updated by the ZIPA PPP Unit.

Eligible Activities:

Specific activities eligible for funding are precisely defined under each of the four Support Windows, as detailed in Table 2.2. In summary, eligible activities encompass the full spectrum of costs associated with:

- Project development and preparatory studies.
- Transaction advisory and procurement management.
- Capacity building and institutional development.
- Capital co-financing to address viability gaps.
- Management of specified fiscal obligations.

2.5. Eligible Entities for Funding

Access to PFF resources is restricted to entities possessing the legal mandate and institutional capacity to undertake PPP projects within Zamfara State. The following entities are designated as eligible recipients:

1. **Contracting Authorities (CAs):** Ministries, Departments, Agencies (MDAs), and Local Government Councils of Zamfara State that are legally empowered to initiate, procure, and act as the government counterpart in PPP agreements.
2. **The PFF Secretariat (ZIPA PPP Unit):** For activities pertaining to its own institutional strengthening and operational effectiveness under Window 2.
3. **Special Purpose Vehicles (SPVs) / Private Partners:** In the specific context of Window 3 (VGF), funding may be channeled to the designated project SPV or private partner, typically through a tripartite agreement involving the relevant CA and the PFF.

All eligible entities must be in good standing with regards to State regulations and must demonstrate the administrative and financial management capacity to utilize PFF resources accountably, or commit to achieving such standards with PFF support.

2.6. Exclusions from Funding

To preserve the strategic focus, fiscal integrity, and policy objectives of the PFF, specific items and project types are explicitly ineligible for support. These exclusions are strictly enforced.

The PFF shall not provide funding for:

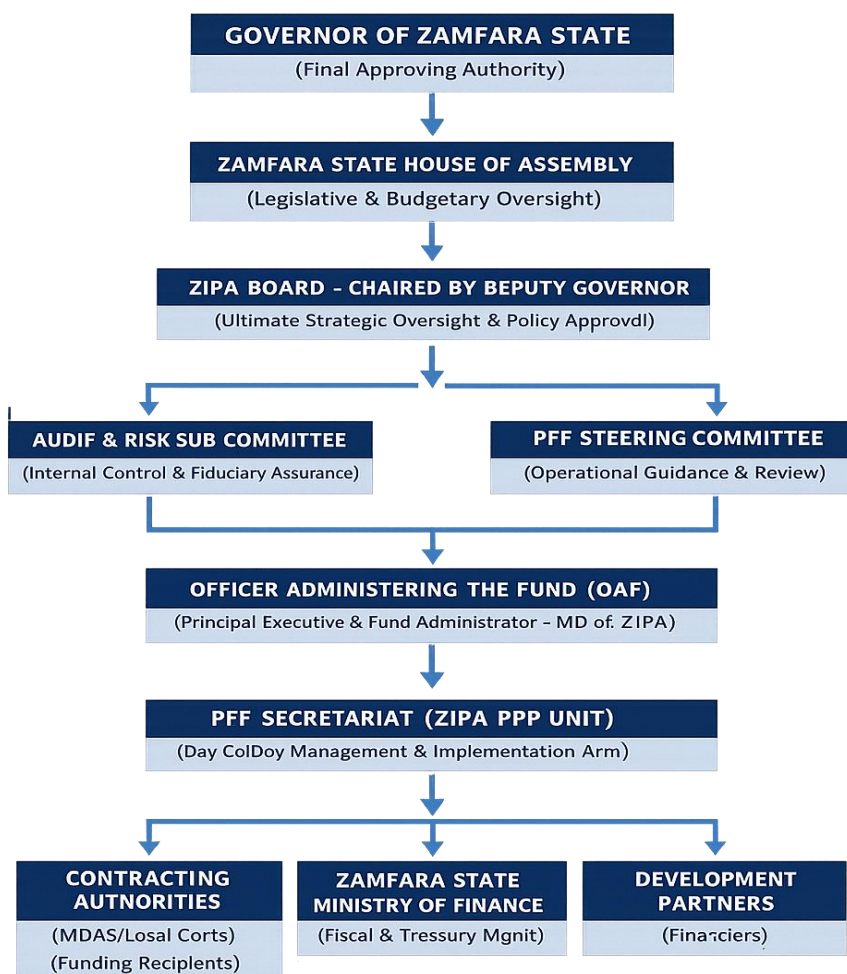
1. **Retrospective Costs:** Any expenditure incurred or commitments made prior to the formal approval of PFF support for a specific project or activity. The Fund operates on a prospective basis only.
2. **Non-PPP Projects:** Projects or activities not structured as a Public-Private Partnership in accordance with the Zamfara State PPP Policy and Law.
3. **Unsolicited Proposals (Except under Swiss Challenge):** Viability Gap Funding for projects originating from unsolicited proposals, unless such proposals have successfully undergone a transparent, competitive Swiss Challenge process as defined by State regulations.
4. **CA Recurrent Expenditure:** Routine, non-project specific operational costs of Contracting Authorities, such as standard staff salaries, office rentals, or utility bills, unless explicitly linked to a dedicated PPP project team under Window 1.
5. **Projects Contravening Law or Policy:** Any activity, project, or cost item that violates applicable State or national laws, public procurement guidelines, or anti-corruption statutes.
6. **Liabilities from CA Default:** Contingent liabilities that materialize due to the default or negligence of the Contracting Authority, which remain the sole fiscal responsibility of that Authority.

3. FUND GOVERNANCE ARRANGEMENTS

The governance framework established for the Zamfara State Project Facilitation Fund represents a cornerstone of its operational integrity and strategic efficacy. This structure has been deliberately designed to separate oversight, management, and execution functions, thereby ensuring checks and balances, promoting accountability, and embedding transparency into every facet of the Fund's operations. The architecture integrates the Fund within the existing public financial management system of Zamfara State while leveraging the specialized expertise housed within the Zamfara Investment and Promotion Agency (ZIPA). This arrangement provides both the necessary governmental oversight and the commercial, results-oriented mindset essential for successful Public-Private Partnership (PPP) facilitation. The governance model is dynamic, intended to evolve in sophistication in parallel with the State's growing PPP programme.

The framework is constituted by three primary tiers: strategic oversight vested in the ZIPA Board and its delegated committees; executive administration under the Officer Administering the Fund; and day-to-day operational implementation managed by the dedicated PFF Secretariat. This tripartite structure ensures that policy direction, financial stewardship, and project execution are each accorded dedicated focus and expertise.

Figure 3.1: PFF Governance and Reporting Structure



3.1 Fund Management

The strategic and operational governance of the Project Facilitation Fund is principally exercised through two key committees established under the authority of the ZIPA Board: the PFF Steering Committee (PFF-SC) and the Audit and Risk Sub-Committee. These bodies translate high-level policy into actionable guidance and provide continuous oversight.

A. ZIPA Board through PFF Steering Committee (PFF-SC)

The PFF-SC serves as the primary operational governance body, responsible for ensuring the Fund's activities align with its mandate and deliver developmental impact. It acts as a critical filter and advisory panel between the implementing Secretariat and the strategic ZIPA Board.

Composition: The Committee is composed of senior officials possessing relevant technical and financial expertise. Membership typically includes:

- Representatives from the Zamfara State Ministry of Finance (Chairman).
- Representatives from the Zamfara State Ministry of Budget and Economic Planning.
- Representatives from the Zamfara State Ministry of Justice (Attorney-General's Office)
- The Officer Administering the Fund (OAF) or representative (Secretary).
- Independent technical experts co-opted based on the agenda (e.g., sector specialists in energy, transport, water).

Core Mandate and Responsibilities:

The PFF-SC's functions are multifaceted, focusing on review, recommendation, and monitoring:

Table 3.1: Key Responsibilities

Responsibility Area	Specific Functions
Strategic and Planning Oversight	<ul style="list-style-type: none">- Review and recommend the PFF's Annual Work Plan and Budget for ZIPA Board approval.- Guide the development and periodic revision of the PFF's Strategic Business Plan.- Ensure the Fund's activities remain aligned with Zamfara State's PPP priorities and development framework.
Funding Application Review	<ul style="list-style-type: none">- Conduct thorough technical and financial assessments of all applications for funding under Windows 1, 3, and 4 that pass initial Secretariat screening.- Evaluate the robustness of feasibility studies, Value for Money (VfM) assessments, and risk allocation in project proposals.- Make formal recommendations to the ZIPA Board regarding approval, deferral, or rejection of applications.
Financial Stewardship and Resource Mobilization	<ul style="list-style-type: none">- Review and recommend the Fund's investment policy for surplus funds.- Monitor the PFF's revenue streams and financial health.- Provide guidance and support for resource mobilization efforts targeting Development Partners.
Performance and Compliance Monitoring	<ul style="list-style-type: none">- Oversee the implementation of projects receiving PFF support, tracking progress against agreed milestones.- Review periodic performance reports from the PFF Secretariat and Contracting Authorities.- Ensure adherence to the covenants of Financing Agreements with Development Partners.
Operational Guidance	<ul style="list-style-type: none">- Provide technical guidance to the OAF and PFF Secretariat on complex project structuring or procurement issues.- Review and endorse updates to operational manuals, guidelines, and templates.

1. Sub-Committees: To deepen technical oversight, the ZIPA Board shall establish two standing sub-committees under the PFF Steering Committee. Each sub-committee shall operate under the authority of the Board, with a designated Chairperson appointed by the Board and supported by members drawn from relevant institutions. Secretariat staff shall provide administrative and technical support to ensure proper documentation, reporting, and follow-up.

- Chairperson: Appointed by the ZIPA Board.
- Members: Senior representatives from the Ministry of Finance, Office of the Auditor-General, Office of the Accountant-General, Ministry of Budget and Economic Planning, and ZIPA senior management.
- Technical Support: External consultants or subject-matter experts as required.
- Secretariat Staff: Assigned officers from the PFF Secretariat to provide coordination, record-keeping, and reporting.
- The Head of ZIPA PPP Unit/Department shall serve as the Secretary to both sub-committees

i. Finance and Risk Sub-Committee This sub-committee focuses on fiduciary integrity, financial oversight, and risk management.

Key Functions:

- Review detailed financial models and projections prepared by the Secretariat.
- Monitor fund utilization against approved budgets and allocations.
- Assess credit, liquidity, and investment risks associated with PFF operations.
- Develop strategies for resource mobilization and sustainability.

Membership:

- Chairperson (appointed by ZIPA Board).
- Representatives from Ministry of Finance, Office of the Accountant-General, and ZIPA Finance Unit.
- External financial/risk management consultant (as required).
- Secretariat Finance Officer (support staff).

ii. Technical and Audit Sub-Committee This sub-committee ensures technical soundness and compliance with audit and safeguard standards. **Key Functions:**

- Evaluate the technical quality and feasibility of project proposals submitted to the PFF.
- Oversee procurement of consultants and transaction advisors.
- Monitor compliance with Environmental and Social Impact Assessment (ESIA) and fiduciary standards.
- Review internal and external audit findings and track implementation of recommendations.

Membership:

- Executive Secretary ZIPA - Chairperson.
- Representatives from Ministry of Budget and Economic Planning, Office of the Auditor-General, and ZIPA PPP Unit.
- External technical/audit consultant (as required).
- Secretariat Monitoring and Evaluation Officer (support staff).

3.2 Officer Administering the Fund

The Officer Administering the Fund (OAF) occupies the pivotal executive role within the PFF governance structure. The Executive Secretary is designated to serve as the OAF. This intentional linkage leverages ZIPA's institutional mandate for investment promotion, its network of stakeholder relationships, and its commercially-oriented expertise, ensuring the PFF is administered with a focus on achieving tangible, bankable outcomes.

Accountability: The OAF is directly accountable to the ZIPA Board for the overall stewardship, performance, and financial integrity of the PFF. The OAF also serves as the primary liaison between the Fund and high-level stakeholders, including the Zamfara State Ministry of Finance and Development Partners.

Comprehensive Roles and Authorities:

The OAF's responsibilities encompass strategic leadership, operational management, and fiduciary guardianship.

Table 3.2: Principal Functions of the Officer Administering the Fund (OAF)

FUNCTION CATEGORY	RESPONSIBILITIES
Strategic Leadership and Representation	<ul style="list-style-type: none"> - Serves as the chief spokesperson and representative of the PFF. - Provides strategic advice to the ZIPA Board on the Fund's administration, financial health, and strategic direction. - Leads high-level resource mobilization engagements with Development Partners and private financiers.
Operational Executive Management	<ul style="list-style-type: none"> - Acts as the Secretariat and principal technical advisor to the ZIPA Board and the PFF Steering Committee. - Bears ultimate responsibility for the day-to-day administration of the PFF. - Approves the PFF's internal operational plans, budgets, and staffing matters. - Holds final approval authority for disbursements within delegated thresholds.
Fiduciary Stewardship	<ul style="list-style-type: none"> - Bears primary responsibility for ensuring all PFF funds are used strictly for their approved purposes. - Ensures compliance with all conditions precedent to disbursements as per Funding Agreements. - Guarantees the preparation and submission of accurate, reliable, and timely financial and operational reports to all relevant stakeholders.
Oversight and Assurance	<ul style="list-style-type: none"> - Oversees the establishment and maintenance of robust financial management and internal control systems. - Serves as the main point of contact for auditors (internal and external), ensuring full cooperation and response to audit queries. - Monitors the performance of the PFF Secretariat and the overall portfolio of funded projects.
Contractual Authority	<ul style="list-style-type: none"> - Executes Financing Agreements with Development Partners on behalf of the PFF (subject to ZIPA Board approval). - Executes Funding Agreements with Contracting Authorities and Private Partners for approved projects. - Represents the PFF in any legal or dispute resolution proceedings.

The OAF discharges these duties with the full support of the PFF Secretariat, delegating operational tasks while retaining overall accountability for results.

3.3 PFF Secretariat

The PFF Secretariat constitutes the operational engine of the Fund. It is established as a dedicated unit within the Zamfara PPP Unit of ZIPA, staffed by a core team of professionals with expertise in finance, procurement, project management, and PPP transaction advisory. This placement ensures deep sectoral knowledge and continuity with the State's overall PPP coordination function. The Secretariat is responsible for executing all day-to-day activities,

providing comprehensive administrative and technical support to the OAF, and serving as the interface with Contracting Authorities and other beneficiaries.

Structure and Staffing:

The Secretariat is structured to reflect its core functions, typically comprising the following key positions:

1. **Fund Manager:** The head of the Secretariat, responsible for overall coordination, application management, and portfolio monitoring.
2. **Accountant:** Manages all financial operations, including budgeting, accounting, treasury, and financial reporting.
3. **Procurement Officer:** Oversees all procurement activities financed by the PFF, ensuring compliance with State regulations.
4. **Monitoring and Evaluation (M&E) Officer:** Tracks project performance, manages the results framework, and prepares impact assessments.
5. **Administrative/ICT Support:** Manages records, communications, and the Fund's Management Information System (MIS).

Integrated Functional Roles:

The Secretariat's work is multidisciplinary, integrating several critical streams of activity to ensure seamless Fund operations.

Table 3.3: Core Functions of the PFF Secretariat

FUNCTIONAL AREA	SPECIFIC SECRETARIAT ACTIVITIES
Application and Portfolio Management	<ul style="list-style-type: none"> - Receives, logs, and conducts initial screening of all funding applications. - Manages the application pipeline and coordinates the due diligence process. - Prepares comprehensive assessment dossiers for review by the PFF-SC. - Monitors the physical and financial progress of all active projects in the portfolio.
Financial Administration and Control	<ul style="list-style-type: none"> - Prepares the PFF's annual budget and cash flow forecasts. - Processes all financial transactions, including disbursements and recoveries. - Maintains complete and accurate accounting records in line with IPSAS. - Prepares monthly, quarterly, and annual financial reports. - Manages bank accounts and performs regular reconciliations.
Contract Management and Compliance	<ul style="list-style-type: none"> - Drafts Funding Agreements and manages their execution. - Tracks compliance with covenants in both Funding and Financing Agreements. - Verifies milestone achievement prior to authorizing disbursements. - Maintains a central repository for all Fund-related contracts.
Procurement Execution	<ul style="list-style-type: none"> - Develops and implements the PFF's annual procurement plan. - Manages the competitive procurement of consultants (e.g., Transaction Advisors) on behalf of CAs. - Procures goods and services required for the Secretariat's own operations.
Reporting, M&E and Knowledge Management	<ul style="list-style-type: none"> - Compiles and submits all mandated reports to the OAF, PFF-SC, ZIPA Board, ZSMoF, and Development Partners. - Implements the Fund's M&E framework, collecting data on outputs and outcomes. - Maintains the PFF's MIS and the public-facing portal on the ZIPA website. - Documents lessons learned and best practices from funded projects.

4. FLOW OF FUNDS

4.1 Fund Bank Accounts

The financial architecture of the Zamfara State Project Facilitation Fund (PFF) is designed to ensure strict fiscal discipline, absolute transparency, and seamless integration with the state's overarching public financial management system. To achieve these objectives, the PFF shall establish and maintain a structured banking arrangement that provides clear segregation of financial resources, facilitates efficient transaction processing, and supports robust audit trails. This arrangement is fully compliant with the Zamfara State Treasury Single Account (J-TSA) framework, ensuring consolidated cash management while preserving the dedicated fiduciary identity of PFF resources.

The Fund shall operate through three principal banking vehicles, each serving a distinct and specific purpose within the overall financial ecosystem. These accounts are not merely repositories for cash but are strategically configured instruments that support the revolving nature of the Fund and its multi-window operational mandate.

Primary PFF Banking Structure:

A. PFF Treasury Holding Account at the Central Bank of Nigeria (CBN)

This account serves as the primary custodial and collection point for all major financial inflows destined for the PFF. It functions as the central reservoir from which resources are strategically allocated. All bulk transfers, including statutory appropriations from the Zamfara State Government and substantial disbursements from Development Partners, are credited directly into this account. Its placement within the Central Bank provides the highest level of security and aligns with state treasury best practices for managing significant public funds.

B. PFF Operations Account (Designated Commercial Bank)

This commercial bank account acts as the primary disbursement channel for the PFF's day-to-day financial activities. Pre-agreed liquidity tranches are periodically transferred from the CBN Treasury Holding Account to this operations account to ensure readily available funds for executing payments. All outflows to beneficiaries including Contracting Authorities, consultants, Transaction Advisors, and service providers across Windows 1, 2, and 3 are processed through this account. Its commercial nature allows for efficient payment processing, including electronic fund transfers, which is critical for maintaining project timelines and operational fluidity.

C. PFF Contingent Liability Reserve Fund Account

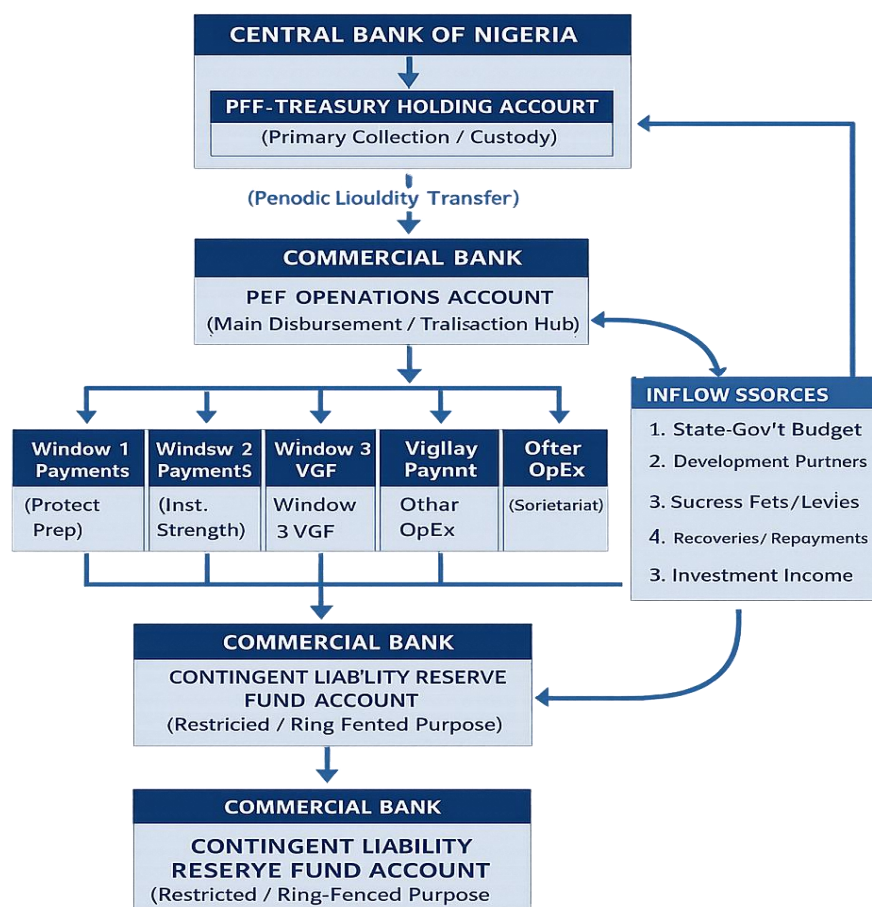
This is a purposefully ring-fenced and restricted account established exclusively for liabilities associated with Window 4 (Contingent Liability Support). It is funded through initial capitalization, dedicated annual budgetary allocations, and a predetermined portion of the PFF's investment income. The Zamfara State Ministry of Finance (ZSMoF), in consultation with the PFF Steering Committee, shall establish and periodically review mandatory minimum and maximum balance thresholds for this reserve. This segregation ensures that funds earmarked for contingent risk mitigation are preserved and cannot be inadvertently utilized for other operational purposes, thereby guaranteeing the state's ability to meet its specified financial obligations under PPP agreements.

Table 4.1: PFF Bank Account Structure and Function

Account Designation	Financial Institution	Primary Purpose	Key Transaction Types	Management Oversight
Treasury Holding Account	Central Bank of Nigeria (CBN)	Primary collection and custody of bulk funds.	Inflows: State allocations, DP grants, large success fees.	ZSMoF and OAF
Operations Account	Approved Commercial Bank	Day-to-day disbursements and operational expenses.	Outflows: Payments to CAs, consultants, TA fees, Secretariat costs.	PFF Secretariat (OAF/Fund Manager)
Contingent Liability Reserve	Approved Commercial Bank	Ring-fenced funding for materialized contingent liabilities.	Outflows: Settlements for verified State default events under PPP contracts.	ZSMoF and PFF-SC

Governance of Banking Operations:

All banking operations shall be conducted in strict adherence to the operational guidelines of the J-TSA system and the authorization protocols approved by the Zamfara State PPP Committee (ZIPA Board). A formalized Payment Authorization Matrix, detailing authorized signatories and their respective financial thresholds, shall be reviewed annually and ratified by the ZIPA Board. This matrix will stipulate the required combination of signatures typically involving the Officer Administering the Fund (OAF), the Fund Manager, the PFF Accountant, and a nominated representative from ZSMoF for transactions of varying values, thereby enforcing a critical internal control through segregation of duties.

Figure 4.1: Flow of fund through bank PFF bank account

4.2 Inflows to the Fund

The financial sustainability and operational capacity of the PFF are contingent upon a predictable and managed inflow of resources from diversified sources. The processes governing the receipt of these funds are standardized to ensure timeliness, accuracy, and full compliance with originating agreements and state financial regulations.

A. Receipt of Funds from Zamfara State Government

Access to statutory allocations follows a formal requisition procedure aligned with the State's fiscal calendar and appropriation laws.

Procedure for Drawing State Funds:

1. **Requisition Submission:** The Officer Administering the Fund (OAF) submits a formal funding requisition to the Zamfara State Ministry of Finance (ZSMoF). This requisition must be precisely aligned with the PFF's approved annual budget.
2. **Verification by ZSMoF:** ZSMoF verifies the requisition against the enacted budgetary allocation for the PFF and checks its consistency with the State's Medium-Term Expenditure Framework (MTEF).
3. **Executive Approval:** Upon verification, ZSMoF forwards the validated requisition to the Governor for formal approval, specifying the exact PFF account to be credited.
4. **Payment Mandate and Transfer:** Following gubernatorial approval, ZSMoF issues a mandate to transfer the designated funds from the State Treasury into the PFF Treasury Holding Account at the CBN.
5. **Notification and Internal Allocation:** ZSMoF formally notifies the PFF of the release. The OAF, upon confirmation of receipt, may then authorize the internal transfer of necessary portions to the PFF Operations Account or the Contingent Liability Reserve, based on immediate operational requirements and liquidity forecasts.

B. Receipt of Funds from Development Partners

Disbursements from Development Partners (DPs) are executed strictly in accordance with the covenants outlined in the respective Financing Agreement. The procedure varies depending on the financing mechanism (e.g., Output-Based, Reimbursement-based).

Standardized Process for DP Inflows:

1. **Fulfillment of Conditions:** The PFF Secretariat, led by the Fund Manager, prepares and compiles all documentation required to evidence the achievement of pre-agreed Disbursement Linked Indicators (DLIs) or eligible expenditures, as per the Financing Agreement.
2. **Application Preparation:** A formal withdrawal or reimbursement application is prepared using the DP's prescribed format and platform (e.g., World Bank's Client Connection).
3. **Internal Authorization:** The complete application package, with all supporting evidence, is reviewed and approved by the OAF.
4. **Submission to DP:** The approved application is submitted to the relevant DP for their review and processing.
5. **Query Resolution and Disbursement:** The Fund Manager promptly addresses any queries from the DP. Upon final approval, the DP disburses the funds directly to the designated Zamfara State Government account at the CBN, for subsequent onward transfer to the PFF Treasury Holding Account.
6. **Acknowledgment and Recording:** The Fund Manager formally acknowledges receipt of the funds and the PFF Accountant records the transaction in the Fund's official ledgers.

C. Receipt of Funds from Contracting Authorities and Private Parties

The PFF also receives inflows in the form of repayments and fees, which are critical for its revolving fund character.

Sources include:

- **Repayment of Recoverable Advances:** Reimbursement from CAs for project preparation support provided under Window 1.
- **Success Fees:** Payments from successful private partners or CAs, typically upon financial close of a PFF-supported project, as contractually agreed.
- **Contributions to Contingent Liability Reserve:** Mandatory contributions from CAs towards the Window 4 reserve, as per PFF guidelines.

Collection Procedure:

1. **Invoice/Demand Notice:** The Fund Manager issues a formal demand notice or invoice to the debtor (CA or Private Party), specifying the amount, due date, purpose, and correct PFF bank account details.
2. **Remittance:** The debtor processes the payment through its internal channels and remits it to the designated PFF account, providing a payment advice to the Secretariat.
3. **Reconciliation and Recording:** The Fund Manager verifies the receipt against the original demand, issues an official receipt, and the Accountant updates the relevant receivable ledgers and cash books.

4.3 Outflows from the Fund

The outflow of resources represents the execution of the PFF's core mandate delivering financial support to eligible beneficiaries. These outflows are governed by rigorous controls to ensure that every disbursement is lawful, compliant, and directly contributes to an approved objective.

Guiding Principles for All Outflows:

- **Eligibility:** Disbursements may only be made for activities and expenditures explicitly prescribed under the four Support Windows and detailed in executed Funding Agreements.
- **Approval Authorization:** No funds shall be withdrawn from any PFF account without the formal approval of the OAF or a duly designated officer as per the authorized delegation matrix.
- **Budgetary Compliance:** All outflows must be charged against a specific, approved budget line within the relevant financial year's appropriation.
- **Documentary Evidence:** Every disbursement request must be substantiated by complete supporting documentation, verifying the achievement of milestones or the validity of incurred expenses.

Categories of Disbursements:

Disbursements from the PFF are structured and purposeful, generally falling into three categories:

1. **Lump-Sum Payments:** One-time payments for specific, completed deliverables (e.g., final payment for a feasibility study report).
2. **Milestone-Based Payments:** Tranche payments released upon the independent verification of pre-defined project milestones or performance indicators specified in the Funding Agreement.
3. **Periodic Retainer Fees:** Regular payments for ongoing services, such as to Transaction Advisors, governed by clear contractual service-level agreements and timeframes.

Disbursement Channels:

- **Direct Payments to CAs:** Electronic transfers made directly to a CA's designated bank account for the CA to utilize in accordance with the Funding Agreement (e.g., for land compensation).

- **Direct Payments to Third Parties:** Electronic transfers made directly to a service provider on behalf of a CA. This is common for payments to Transaction Advisors, consultants, or, under Window 3, to the Project Special Purpose Vehicle (SPV). Such payments require a formal request and payment approval from the CA alongside the service provider's invoice.

Treatment of Contingent Liability Payments:

A disbursement from the Contingent Liability Reserve to settle a materialized liability is treated as a **recoverable advance** to the responsible Contracting Authority. The CA is legally obligated to refund the PFF in full in its immediate subsequent budget cycle, unless it is definitively established that the liability arose solely from a verified default of the Zamfara State Government itself.

Management of Fund Categorizations:

- **Restricted Funds:** These are resources received from a Development Partner that are legally earmarked for a specific purpose, window, or project. The PFF will maintain separate sub-ledgers for each restricted fund to ensure dedicated tracking and reporting.
- **Unrestricted Funds:** These are resources, typically from the State budget or certain internal revenues, with no legally binding pre-conditions on their deployment across the support windows.
- **Fund Utilization Priority:** The PFF shall always prioritize the utilization of Restricted/Designated funds for their intended purpose before deploying Unrestricted funds for the same activity. Any reallocation of unused restricted funds requires prior negotiation and written agreement with the contributing Development Partner.

5. OPERATIONS OF THE FUND

5.1 Business Planning and Financing Policy

The operational efficacy and long-term sustainability of the Zamfara State Project Facilitation Fund (PFF) are predicated upon rigorous strategic foresight and a disciplined financial policy framework. These foundational elements ensure that the Fund's activities are not merely reactive but are strategically directed, financially viable, and aligned with the state's overarching developmental agenda. The PFF operates as a revolving financial instrument, necessitating a proactive approach to capital management, resource mobilization, and strategic investment to perpetually fulfill its catalytic mandate.

A. Strategic Business Planning

The PFF shall be governed by a formal, dynamic Ten-Year Strategic Business Plan. This document serves as the cardinal roadmap, articulating the Fund's long-term vision, strategic objectives, and quantifiable goals. It transcends mere financial projection to encompass the full spectrum of the Fund's ambitions, including target sectors, desired developmental impacts, institutional capacity growth, and portfolio risk parameters.

The Business Plan is subject to a mandatory comprehensive mid-term review upon the lapse of an initial five-year operational period. An extraordinary review may be initiated earlier in response to material changes in the state's regulatory landscape, macroeconomic conditions, fiscal policy directives, or a strategic reorientation mandated by the ZIPA Board. The outcomes and targets enshrined within this plan directly inform the formulation of the PFF's Annual Work Plan and Budget and its Results Framework for performance monitoring and evaluation.

The development and any substantive amendment of the Strategic Business Plan fall under the purview of the PFF Secretariat, with ultimate review and formal approval vested in the ZIPA Board. In a spirit of collaborative partnership, the plan shall be shared with relevant Development Partners as stipulated within respective Financing Agreements.

B. Resource Mobilization Strategy

The responsibility for leading the PFF's resource mobilization efforts resides with the Officer Administering the Fund (OAF), the Executive Secretary. This function receives dedicated support from resource mobilization specialists within the PFF Secretariat. All fundraising initiatives must be explicitly guided by the strategies and targets defined within the Strategic Business Plan, ensuring that mobilization efforts are coherent, targeted, and designed to meet the Fund's projected financial requirements across its support windows.

The PFF will proactively cultivate relationships and secure financial resources, technical assistance, and credit enhancement instruments from a diverse array of Multilateral Development Banks (MDBs), Bilateral Development Finance Institutions (DFIs), and other Development Partners. A critical component of this strategy involves the negotiation and execution of formal Financing Agreements.

5.2 Financing Policy

To safeguard the interests of the Zamfara State Government and ensure consistency in all external engagements, the PFF shall adhere to an unequivocal Financing Policy when negotiating with funding partners. This policy establishes non-negotiable principles and procedural safeguards.

Table 5.1: Core Tenets of the PFF Financing Policy

Policy Principle	Operational Requirement
Structured Approval Protocol	All proposed Financing Agreements must undergo thorough review by the PFF Steering Committee for assessment of financial, legal, and strategic implications, followed by final ratification by the ZIPA Board.
Explicit Fund Categorization	Every Financing Agreement must unambiguously state whether provided funds are Restricted (earmarked for a specific window, sector, or project) or Unrestricted, detailing any associated conditions on utilization.
Clarity on Conditionality	Agreements must explicitly delineate all specific covenants, reporting obligations, compliance procedures, and performance benchmarks attached to the funds.
Manual Supersession Clause	In the event of a conflict between a condition within a Financing Agreement and a provision of this Governance and Operations Manual, the conflicting condition must be explicitly identified and receive prior, written approval from the ZIPA Board before execution.
Covenant Adherence Commitment	The PFF commits to strict and full compliance with all requirements and covenants stipulated within executed Financing Agreements.

Principles for Development Partner Engagement:

Engagements with Development Partners shall be conducted on the foundation of the following principles designed to protect the PFF’s mandate, autonomy, and the interests of Zamfara State:

- **Mandate Alignment:** All support must be congruent with the PFF’s established mandate, strategic objectives, and applicable state regulations.
- **Mutual Respect and Equity:** Partnerships shall be grounded in mutual respect for institutional mandates, operational capacities, and a shared commitment to Zamfara State’s development objectives.
- **Integrity and Independence:** Partnerships must not compromise, and should enhance, the PFF’s operational independence, impartiality, and reputation. No agreement shall confer undue influence over the Fund’s or the State’s internal decision-making processes.
- **Scope Limitations:** Support may only be considered for activities falling squarely within the scope of the four defined Support Windows.
- **Transparency and Accountability:** The formation, terms, and management of partnerships shall be transparent. Agreements shall include clear roles, responsibilities, and accountability mechanisms.
- **Ethical Conduct:** All representatives of the PFF must adhere to the highest ethical standards, avoiding conflicts of interest and relationships that could imply impropriety.

5.3 Funding Windows

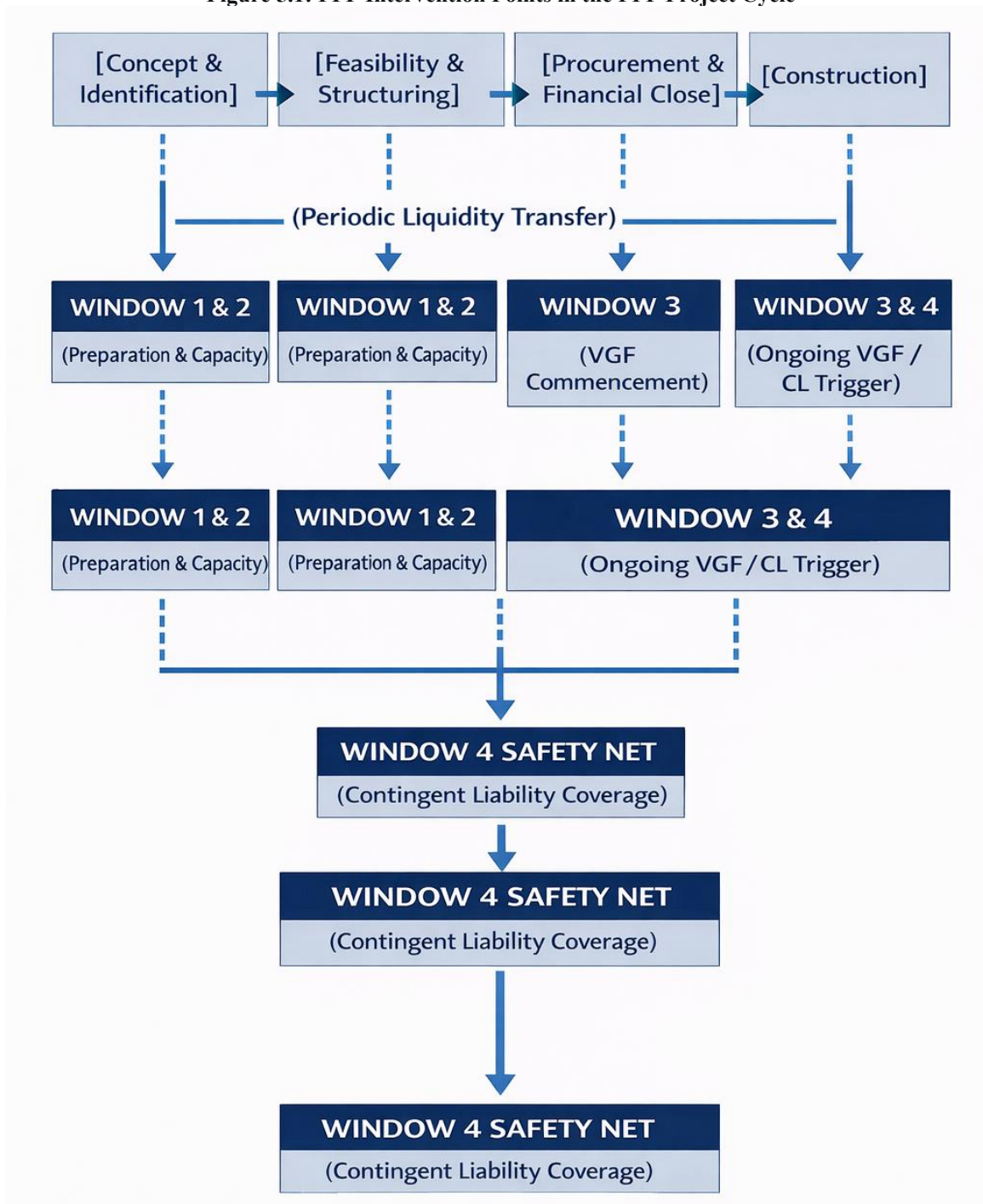
The PFF delivers its mandate through four distinct, purpose-built support windows. These windows provide targeted financial intervention at critical junctures in the PPP project lifecycle, from conception to operation.

Table 5.2: PFF Support Windows – Purpose and Scope

WINDOW	FORMAL DESIGNATION	PRIMARY OBJECTIVE	ELIGIBLE RECIPIENTS	NATURE OF SUPPORT
Window 1	Project Preparation Support	To finance the upfront costs of developing robust, bankable PPP project proposals.	Contracting Authorities (CAs)	Recoverable Advances for feasibility studies, land acquisition, transaction advisory, and procurement costs.
Window 2	Institutional Strengthening	To build the enduring institutional capacity for effective PPP origination and management.	PFF Secretariat (ZIPA PPP Unit)	Annual Budgetary Allocation for capacity building, technical assistance, systems procurement, and core operational costs.
Window 3	Viability Gap Funding (VGF)	To enhance the financial viability of socially essential but	CAs and Project SPVs (Tripartite)	Grants or Conditional Payments (Capital/Operational) to make projects bankable, subject to strict Value for

		commercially marginal projects.		Money (VfM) assessment.
Window 4	Contingent Liability Support	To provide liquidity for verified State payment obligations arising from predefined trigger events.	CAs (on behalf of the State)	Recoverable Advances from a ring-fenced reserve, strictly for liabilities arising from verified State default, not CA negligence.

Figure 5.1: PFF Intervention Points in the PPP Project Cycle



5.4 Management of Funding Applications

A systematic, transparent, and rigorous process governs the submission, review, and adjudication of all requests for PFF financial support. This process is designed to ensure fairness, uphold eligibility criteria, and facilitate informed decision-making.

A. Application Submission Protocol

Eligible Contracting Authorities may submit applications at any point during the financial year using prescribed forms accessible via the official ZIPA website. The process mandates:

1. **Form Completion:** The CA downloads and comprehensively completes the relevant application form.
2. **Internal Authorization:** The application undergoes the CA's internal approval process and must be signed by its authorized Accounting Officer (e.g., Permanent Secretary).
3. **Documentation Collation:** The CA assembles all mandatory supporting documentation as stipulated in the application guidelines.
4. **Formal Submission:** The complete dossier is submitted electronically via the dedicated PFF Online Application Portal or a designated secure email address.

Post-Submission Secretariat Actions:

Upon receipt, the PFF Secretariat will:

- Log the application into the PFF Management Information System (MIS), assigning a unique tracking reference.
- Issue a formal acknowledgment of receipt to the CA, confirming the reference and indicative review timeline.
- Designate an officer to conduct an initial screening for completeness.

B. Application Screening (Administrative and Eligibility Check)

The PFF Secretariat performs a mandatory two-tier preliminary screening to filter applications before they proceed to substantive evaluation.

Table 5.3: Application Screening Criteria

SCREENING TIER	CHECKS PERFORMED	POTENTIAL OUTCOMES
Tier 1: Administrative Compliance	<ul style="list-style-type: none">- Correct form version used and fully completed.- Duly signed by authorized CA representative.- All mandatory supporting documents attached.	Deferral: Application is incomplete. CA is requested to rectify specified deficiencies.
Tier 2: Preliminary Eligibility	<ul style="list-style-type: none">- Applying entity is an eligible CA or SPV.- Funding request aligns with an eligible support category/window.- Project is listed on the official Zamfara State PPP Project Pipeline.- Compliance with any ZIPA Board directives.	Rejection: Application is fundamentally ineligible. CA is notified with reasons; cannot resubmit same request. Forward for Evaluation: Application passes screening and proceeds to the PFF Steering Committee.

C. Application Assessment by the PFF Steering Committee (PFF-SC)

Applications that successfully pass screening are subjected to a comprehensive technical and financial assessment by the PFF-SC. The Committee convenes as needed, following a "first-in, first-assessed" principle. It retains the discretion to co-opt independent technical experts with relevant sectoral knowledge to inform its deliberations. Decisions are made by simple majority vote, with rationale formally minuted.

Assessment Procedure:

1. The PFF-SC Chairperson constitutes the assessment panel, including any co-opted experts.
2. Application dossiers are distributed for individual review.
3. A convened meeting deliberates on the assessments, culminating in a formal vote.
4. The Chairperson forwards applications recommended for approval, with detailed recommendations, to the ZIPA Board for final decision.
5. For applications not recommended, comprehensive written feedback is provided to the CA via the Fund Manager.

D. Final Approval by the ZIPA Board

The ZIPA Board serves as the ultimate approving authority. Meeting quarterly, it reviews the PFF-SC's recommendations and may:

- **Approve:** Grant full or conditional approval.
- **Defer:** Postpone decision pending fulfillment of specific conditions (e.g., awaiting financial close for VGF).
- **Reject:** Deny funding where the application fails core eligibility or policy tests.

The Board's decision is formally communicated to the PFF Secretariat, which then relays the outcome to the applying CA. A positive decision initiates the contracting phase.

5.5 Funding Agreement

The formalization of financial support is effected through a legally binding Funding Agreement. No disbursement shall occur prior to the full execution of this agreement.

Key Contracting Principles:

- The OAF, supported by the PFF Secretariat and ZIPA's Legal Unit, prepares each agreement.
- For Windows 1 and 4, the agreement is bilateral (PFF and CA). For Window 3 (VGF), it is tripartite (PFF, CA, and the Project SPV/Private Partner).
- Each agreement must incorporate a clear, multi-tiered dispute resolution mechanism, prioritizing Alternative Dispute Resolution (ADR) methods.

Standard Agreement Components:

1. **Parties and Recitals:** Full details of parties and background.
2. **Obligations:** Detailed roles, responsibilities, and covenants of all parties.
3. **Funding Details:** Total amount, currency, and support duration.
4. **Disbursement Schedule:** Milestone-linked payment tranches with conditions precedent.
5. **Project Timeline:** Start and completion dates.
6. **Reporting and Monitoring:** Requirements for technical, financial, and audit reports.
7. **Recovery Terms:** For recoverable advances, the repayment schedule and default terms.
8. **Audit Rights:** PFF's right to audit the use of funds.

9. **Dispute Resolution and Termination:** Agreed mechanisms and termination clauses.
10. **Governing Law:** Stipulation that Nigerian law and Zamfara State statutes govern the agreement.

5.6 Fund Disbursement

Disbursements are executed strictly in accordance with the executed Funding Agreement and upon receipt of a valid disbursement request from the beneficiary. The process is designed to be rigorous yet efficient.

Pre-requisites for Disbursement:

- A fully executed Funding Agreement is in place.
- The CA has provided an annual forecast of funding needs for cash flow planning.
- A formal disbursement request, adhering to the agreement's procedure and timeline, is submitted with all requisite supporting documentation.

Table 5.4: Standardized Disbursement Process

STEP	ACTION	RESPONSIBLE OFFICER/UNIT	KEY CONTROL
1	CA submits formal disbursement request with supporting docs.	Contracting Authority	Request must align with agreed milestone/deliverable.
2	PFF Secretariat logs, acknowledges, and verifies the request.	Fund Manager / Accountant	Verification of milestone achievement and document completeness.
3	Seek 'No Objection' from DP if required by Financing Agreement.	Fund Manager / OAF	Compliance with external covenants.
4	Obtain internal approval per delegation of authority matrix.	OAF / Fund Manager	Authorization threshold compliance.
5	Accountant prepares and executes payment via wire transfer.	Accountant	Verification of payee details and approval.
6	Fund Manager notifies recipient and relevant CA of payment.	Fund Manager	Confirmation and record-keeping.

Payment Modalities:

All payments are inherently **milestone-based**. They can be:

- **Direct Payments:** To the CA's account for it to utilize as agreed.
- **Indirect Payments:** Directly to a third party (e.g., Transaction Advisor, SPV) on behalf of the CA, supported by an invoice and CA payment approval.

Suspension of Disbursements: The PFF may suspend further disbursements if a material dispute arises that threatens project feasibility. Disbursements resume only upon provision of satisfactory evidence of resolution.

5.7 Fund Disbursement Tracking and Documentation

Robust tracking and meticulous documentation are imperative for financial control, audit readiness, and performance reporting.

A. Disbursement Tracking Mechanisms

The PFF Secretariat maintains detailed tracking reports:

- **CA-Level Report:** A consolidated view of all financial flows to each Contracting Authority.

- **Agreement-Level Report:** Tracks progress against the disbursement schedule for each active Funding Agreement.
- **VGF-Specific Tracking:** Intensive monitoring including drawdowns against the financial model, tracking material changes to the Project Agreement, and monitoring overall project costs to ensure the viability gap remains as projected.

These detailed reports feed into a monthly management summary and a comprehensive quarterly report for the ZIPA Board.

B. Documentation and Record-Keeping

The PFF shall maintain an impeccable audit trail for every transaction. The documentation suite for each disbursement includes, but is not limited to:

1. The approved Funding Agreement.
2. The formal disbursement request from the CA.
3. Documentary evidence of milestone achievement (e.g., independent verification report, completion certificate, auditor's confirmation).
4. Internal review and verification notes from the PFF Secretariat.
5. Copy of the 'No Objection' from the DP (where applicable).
6. The signed payment approval voucher.
7. Bank advice or proof of payment execution.
8. Acknowledgment of receipt from the beneficiary.

All documents shall be stored electronically within the PFF's secure Management Information System (MIS) and retained for the minimum period stipulated by the Zamfara State public records law and relevant Financing Agreements, typically not less than ten years after project completion.

C. Performance-Based Disbursement Framework

The PFF employs a Performance-Based Disbursement Framework, ensuring funds are released in tranches contingent upon the verified completion of pre-defined, SMART (Specific, Measurable, Achievable, Relevant, Time-bound) milestones. This framework:

- **Enhances Accountability:** Links funding directly to tangible progress.
- **Mitigates Risk:** Prevents large upfront outlays before performance.
- **Incentivizes Timely Delivery:** Creates clear financial incentives for beneficiaries to meet targets.

The PFF Steering Committee must review and approve all proposed milestones during the application assessment phase. The Secretariat verifies completion before authorizing the next tranche, utilizing methods ranging from documentary review to independent third-party audits.

6. PROCUREMENT AND CONTRACT MANAGEMENT

6.1 Procurement Principles and Framework

The procurement activities facilitated or financed by the Zamfara State Project Facilitation Fund (PFF) shall be conducted under a stringent governance framework designed to ensure integrity, transparency, and optimal value for public resources. It is paramount to recognize that while the PFF provides financial resources, the Contracting Authority (CA) retains legal responsibility as the procuring entity for its respective Public-Private Partnership (PPP) projects. All procurement exercises must therefore conform to the Zamfara State Public Procurement Law (2016), subsequent regulations issued by the Zamfara State Bureau of Public Procurement (ZSBPP), and any supplementary directives from the ZIPA Board. Where applicable, the specific procurement guidelines of Development Partners, as enshrined within Financing Agreements, shall also be observed.

The procurement philosophy of the PFF is anchored upon seven immutable principles that shall govern every stage of the acquisition process, from planning to contract closure. These principles are non-negotiable and form the ethical bedrock of all procurement actions.

Table 6.1: Foundational Procurement Principles for PFF-Supported Activities

Principle	Operational Definition and Mandate
Value for Money (VfM)	The procurement process shall be designed to select offers that provide the optimum combination of whole-life cost, quality, sustainability, and fitness for purpose, rather than the lowest initial price alone.
Transparency	All procurement processes, policies, and decisions shall be open to scrutiny to the fullest extent possible. This encompasses public advertisement of opportunities, clear evaluation criteria, and disclosure of award decisions, balanced by legitimate commercial confidentiality.
Fairness, Equity and Non-Discrimination	All prospective bidders and consultants shall receive equitable treatment. Evaluation shall be based solely on predetermined criteria, free from bias, conflict of interest, coercion, or corrupt practices.
Proportionality	The complexity, administrative burden, and procedural requirements of any procurement shall be commensurate with the value, risk, and nature of the goods, works, or services being acquired. The artificial splitting of procurements to circumvent financial thresholds is expressly prohibited.
Integrity	All participants including PFF staff, evaluation committee members, and bidders must conduct themselves with the highest ethical standards. Mandatory conflict-of-interest declarations are required, with recusal enforced where conflicts exist.
Fitness for Purpose	Procured goods, works, and services must demonstrably meet the technical and functional requirements specified by the end-user. This necessitates clear specifications from the CA and robust bid evaluation to verify capability.
Accountability	Clear lines of responsibility shall be established for each procurement decision. All actions must be justified, documented, and subject to review and audit.

6.2 Procurement Responsibilities

A clear demarcation of roles and responsibilities is essential to enforce the aforementioned principles and ensure accountable procurement execution. The following entities bear defined responsibilities within the PFF procurement ecosystem.

A. PFF Secretariat (Procurement Officer and Fund Manager)

The PFF Secretariat, through its designated Procurement Officer, plays a pivotal facilitation and oversight role. Its responsibilities include:

- Developing and implementing the PFF's own Annual Procurement Plan for Secretariat operations and institutional strengthening (Window 2).

- Providing technical guidance and advisory support to CAs on developing robust procurement strategies and documents for PFF-funded activities.
- In certain cases, as explicitly agreed and documented, managing the procurement process on behalf of a CA for critical services like Transaction Advisors, ensuring adherence to best practice and state law.
- Monitoring and reporting on the status of all procurements financed by PFF resources.
- Ensuring that prior ‘No Objection’ is obtained from relevant Development Partners for procurements where such review is a contractual condition.
- Maintaining the central repository of all PFF-related procurement records.

B. Contracting Authority (CA)

As the legally responsible procuring entity, the CA bears the ultimate accountability for its procurement outcomes. Its duties encompass:

- Preparing accurate and comprehensive Technical Specifications and Terms of Reference (TOR).
- Constituting a competent, independent, and conflict-free Evaluation Committee.
- Conducting the procurement process in strict compliance with state law and the PFF’s principles.
- Ensuring the timely provision of all necessary information and approvals to facilitate the PFF Secretariat’s support role.
- Executing the resultant contract and managing the supplier relationship.

C. Zamfara State Bureau of Public Procurement (ZSBPP)

The ZSBPP exercises regulatory and oversight authority. Its role includes:

- Providing the overarching regulatory framework and standard bidding documents.
- Reviewing and granting approvals for procurement activities above specified thresholds (Prior Review).
- Conducting procurement audits and investigations as necessary.
- Certifying procurement outcomes.

6.3 Procurement Planning and Thresholds

Strategic procurement planning is indispensable for the efficient and effective utilization of PFF resources. The foundation for this is the Annual Procurement Plan (APP), a dynamic document derived directly from the PFF’s approved Annual Work Plan and Budget.

Content of the Annual Procurement Plan:

The APP shall detail, for each anticipated procurement:

- A clear description of the goods, works, or services required.
- The estimated financial value.
- The recommended and approved procurement method.
- Indication of whether Prior Review by ZSBPP and/or a Development Partner is required.
- A comprehensive timeline showing all key milestones from preparation to contract signing.

The Procurement Officer is responsible for actively tracking progress against this plan and updating it with actual dates.

Approved Procurement Methods and Thresholds:

The PFF shall employ procurement methods prescribed by Zamfara State regulations, with adaptations for consultancy services aligned with international best practice (e.g., World Bank Procurement Regulations).

Table 6.2: Applicable Procurement Methods and Consultancy Selection

METHOD CATEGORY	RECOMMENDED USE CASE	KEY DESCRIPTION
National Competitive Bidding (NCB)	Procurement of goods and works valued above State-defined thresholds.	Open advertisement, public bid opening, and evaluation based on price and compliance.
International Competitive Bidding (ICB)	For very high-value, complex, or specialized procurements where international competition is beneficial.	Advertisement in international media, allowing foreign bidders to participate.
Quality- and Cost-Based Selection (QCBS)	Selection of consulting services (e.g., Transaction Advisors, Feasibility Consultants).	Combined evaluation of technical proposal (typically 70-80% weight) and financial proposal (20-30% weight).
Quality-Based Selection (QBS)	Selection for highly complex advisory services where quality is paramount.	Selection based solely on technical proposal quality and expertise; financial negotiations follow.
Single-Source Selection (SSS)	Used only under exceptional, justified circumstances as defined by state law (e.g., sole proprietary technology, extreme urgency).	Requires strong justification and prior written approval from ZSBPP and relevant stakeholders.

Financial thresholds dictating the choice of method and the requirement for Prior Review shall be those established in the Zamfara State Public Procurement Law and any subsequent official circulars issued by the ZSBPP.

6.4 Engagement of Consultants and Transaction Advisors

Given the technical complexity of PPP project development, the selection and engagement of consultants particularly Transaction Advisors (TAs) is a critical procurement activity. The PFF will advocate for and support CAs in utilizing selection methods that prioritize expertise and quality.

Standard Procedure for Engaging Consultants:

1. **Development of TOR:** The CA, with PFF Secretariat support, develops comprehensive Terms of Reference defining the scope, deliverables, and required experience.
2. **Expression of Interest (EOI):** A public call for EOIs is issued to pre-qualified firms with relevant experience.
3. **Shortlisting:** An evaluation of EOIs leads to a shortlist of qualified firms invited to submit detailed proposals.
4. **Request for Proposals (RFP):** Shortlisted firms receive the RFP, including full TOR, evaluation criteria, and draft contract.
5. **Technical and Financial Evaluation:** A two-envelope system is typically used. The technical proposal is evaluated first; only proposals passing a minimum technical score have their financial proposals opened.
6. **Negotiations and Award:** The top-ranked firm is invited for final negotiations before contract award and signing.
7. The PFF Secretariat's Procurement Officer will often manage this process on behalf of the CA to ensure neutrality, expertise, and adherence to timelines.

6.5 Contract Management

Effective contract management is essential to ensure that procured services deliver the intended value and that the PFF's resources are protected. The PFF Secretariat shall serve as the central custodian for all contracts related to PFF-funded activities.

A. Contract Administration

Key administration activities include:

- Maintaining a Master Contract Register tracking key dates, milestones, values, and performance notes.
- Monitoring Deliverable Submission and Acceptance against the agreed schedule.
- Verifying Invoices against contract terms and milestone completion certificates before processing payment requests.
- Managing Contract Variations: Any proposed change to contract scope, timeline, or value requires formal approval. Minor variations need OAF approval; material variations require ZIPA Board approval. All variations must be documented as a formal addendum.

B. Linkage to Disbursement

Contracts form the sole legal basis for all payments. The PFF's disbursement mechanism is intrinsically linked to contract performance. Funds are released only upon verification that the contractor has fulfilled its obligations as per the agreed milestones and deliverables. This performance-based payment approach is a core financial control.

6.6 Records and Documentation

Complete and orderly procurement records are vital for accountability, audit, and dispute resolution. The PFF Secretariat shall ensure that a comprehensive audit trail is maintained for every procurement, from identification of need to contract completion.

Essential Procurement Records:

The following documentation, at a minimum, shall be systematically filed and retained for the statutory period:

1. **Planning and Preparation:** Needs assessment, approved procurement plan, budget allocation.
2. **Solicitation Documents:** Published advertisements, EOI documents, RFP/RFQ, all clarifications and amendments.
3. **Bid/Proposal Receipt and Opening:** Bid submission register, minutes of public bid opening.
4. **Evaluation Process:** Evaluation committee constitution and conflict-of-interest declarations, technical and financial evaluation reports, minutes of evaluation meetings, ZSBPP/DP 'No Objection' letters.
5. **Award and Contract:** Notification of award, signed contract and all annexes, performance security documentation.
6. **Contract Management:** All correspondence, variation orders/amendments, performance reports, payment certificates, and invoices.
7. **Completion:** Final acceptance certificate, contract completion report.
8. Records shall be maintained in both secure physical and electronic formats within the PFF's Management Information System (MIS).

6.7 Procurement Monitoring and Reporting

Ongoing monitoring and structured reporting are crucial for providing oversight and demonstrating compliance.

A. Internal Monitoring by PFF Secretariat

The Procurement Officer will:

- Track all active procurements against the APP timelines.
- Monitor CA-led procurements for adherence to agreed procedures.
- Prepare regular **Procurement Status Reports** for management, highlighting any delays or issues.

B. Procurement Audits and Reviews

Procurement activities are subject to several layers of review:

- **ZSBPP Audits:** The State Bureau may conduct audits to verify procedural compliance and value for money.
- **Development Partner Reviews:** DPs may conduct post-review of procurements below their prior review threshold or commission specific audits as per Financing Agreements.
- **Internal Audit:** The PFF's internal audit function will periodically review procurement processes as part of its risk-based audit plan.

C. Reporting to Stakeholders

Comprehensive reporting ensures transparency to all governance bodies:

- **PFF Steering Committee:** Receives quarterly procurement status reports.
- **ZIPA Board:** Reviews significant procurement outcomes and audit reports as part of its oversight.
- **Development Partners:** Provided with procurement reports as stipulated in Financing Agreements.

The integrity of the procurement process is a direct reflection of the PFF's overall governance credibility. By embedding these rigorous principles, responsibilities, and procedures, the PFF ensures that every Naira spent on procuring expertise, goods, or works directly and efficiently contributes to the development of high-quality, sustainable PPP infrastructure for Zamfara State. This disciplined approach mitigates fiduciary risk, attracts reputable partners, and ultimately safeguards the public interest.

7. AUDIT AND INTERNAL CONTROL

7.1 Internal Control Framework

The Zamfara State Project Facilitation Fund (PFF) shall establish and maintain a robust and integrated internal control framework, constituting the fundamental architecture for safeguarding assets, ensuring the reliability of financial reporting, promoting operational efficiency, and securing adherence to applicable laws and regulations. This framework is not a singular policy but a comprehensive system of interrelated components designed to provide reasonable assurance regarding the achievement of the Fund's objectives. It serves as the first line of defense against errors, fraud, waste, and mismanagement, forming the bedrock of the PFF's fiduciary responsibility to its stakeholders.

The framework is built upon five interrelated components, as defined by internationally recognized standards for public sector entities:

1. Control Environment: This sets the organizational tone, influencing the control consciousness of personnel. It encompasses the integrity, ethical values, and competence of the PFF's leadership and staff; the governance philosophy and operating style of the ZIPA Board and management; and the manner in which authority and responsibility are assigned. A strong control environment is characterized by clear organizational structure, documented policies, and a culture of accountability.

2. Risk Assessment: The PFF shall implement a dynamic process to identify, analyze, and manage risks that could impede the achievement of its objectives. This involves a systematic, periodic review of operational, financial, and compliance risks at both the entity and transaction levels. Risks are assessed for their likelihood and potential impact, forming the basis for designing appropriate control activities.

3. Control Activities: These are the specific policies, procedures, and mechanisms enacted to mitigate identified risks and ensure management directives are carried out. They occur throughout the organization and include a range of activities such as:

- **Authorizations and Approvals:** Formal, documented approval requirements for transactions, aligned with a defined delegation of authority matrix.
- **Verifications and Reconciliations:** Independent checks on performance, data accuracy, and asset custody (e.g., bank reconciliations, physical inventory counts).
- **Segregation of Duties:** Dividing responsibilities for authorizing transactions, recording them, and maintaining custody of related assets among different individuals to reduce the risk of error or fraud.
- **Physical and IT Security Controls:** Safeguards to protect physical assets and secure information systems, data, and infrastructure.

4. Information and Communication: Pertinent information must be identified, captured, and communicated in a form and timeframe that enable personnel to discharge their responsibilities. This includes internal reporting of operational, financial, and compliance-related information flowing up, down, and across the PFF Secretariat. Effective external communication with stakeholders, including CAs, DPs, and the public, is equally critical.

5. Monitoring Activities: The entire internal control system must be assessed over time for continued relevance and effectiveness. This is achieved through ongoing monitoring activities built into routine operations (e.g., managerial supervision, variance analysis) and separate, periodic evaluations conducted by the internal audit function or through self-assessments.

Table 7.1: Key Internal Control Mechanisms within PFF Operations

Control Area	Specific Control Activities	Primary Objective
Financial Authorization	Delegation of Authority Matrix with monetary thresholds; requirement for dual signatures on payments above set limits; expenditure pre-approval against budget.	To ensure all financial commitments and disbursements are properly authorized by appropriate personnel.
Transaction Processing	Use of pre-numbered, controlled documents (vouchers, receipts); sequential processing of transactions; mandatory supporting documentation for all payments.	To create a complete and reliable audit trail for every financial event.
Asset Safeguarding	Physical security measures for cash and assets; restricted access to bank accounts and financial systems; periodic physical verification of fixed assets.	To prevent unauthorized access, use, or disposal of the PFF's resources.
Segregation of Duties	Separation of responsibilities for: initiating transactions, approving them, recording them, handling the related asset, and performing reconciliations.	To prevent a single individual from controlling all key aspects of a transaction, thereby deterring and detecting errors or fraud.
Reconciliation and Review	Monthly bank reconciliations; periodic reconciliation of general ledger accounts; supervisory review of reports and outputs.	To verify the accuracy and completeness of recorded information and to identify discrepancies promptly.

7.2 Internal Audit

The PFF shall establish an independent, objective internal audit function that provides assurance and consulting services designed to add value and improve the Fund's operations. This function shall either be constituted within the PFF Secretariat or, more typically, be provided by the Internal Audit Directorate of the Zamfara State Ministry of Finance (ZSMoF), operating under a formal service-level agreement. Its primary mandate is to assist the PFF in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and enhance the effectiveness of risk management, control, and governance processes.

Governance and Independence:

To ensure objectivity, the internal audit function shall report administratively to the Officer Administering the Fund (OAF) for day-to-day logistics but shall have a direct functional reporting line to the Audit and Risk Sub-Committee of the ZIPA Board. This dual reporting structure safeguards the auditor's independence, granting them unrestricted access to all records, personnel, and physical properties relevant to their audits.

Scope and Methodology:

Internal audit engagements are risk-based, meaning audit plans are developed from a thorough assessment of areas presenting the highest risk to the PFF. The scope is comprehensive and includes:

- **Financial Audits:** Examining the reliability and integrity of financial information.
- **Compliance Audits:** Reviewing adherence to laws, regulations, contracts (Funding/Financing Agreements), and internal policies.
- **Operational Audits:** Assessing the economy, efficiency, and effectiveness of operations and procedures.
- **Performance Audits:** Evaluating whether the PFF is achieving its intended outcomes and value for money.
- **Special Investigations:** Undertaking reviews of suspected fraud, waste, or abuse.

The internal auditor shall conduct audits in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

Internal Audit Process:

1. **Planning:** Develop a risk-based annual audit plan, approved by the Audit and Risk Sub-Committee.
2. **Fieldwork:** Execute audit procedures, including interviews, documentation review, testing, and analysis.
3. **Reporting:** Prepare draft audit reports detailing findings, risks, and recommendations for management response.
4. **Management Response:** PFF management (OAF/Secretariat) provides a formal response, including agreed corrective actions and timelines.
5. **Final Report and Follow-up:** A final report is issued to the OAF and the Audit and Risk Sub-Committee. The internal auditor tracks the implementation of agreed actions to resolution.

7.3 External Audit

External audit provides an independent, statutory assurance on the PFF's financial statements and, in some cases, its compliance with specific agreements. The Office of the Auditor-General (OAG) for Zamfara State is the supreme audit institution vested with the constitutional mandate to audit all public funds. The OAG, or an external audit firm it appoints and oversees, shall conduct the annual audit of the PFF's financial statements.

Objective and Legal Basis:

The primary objective of the external financial audit is to express an opinion on whether the PFF's financial statements present a true and fair view, in all material respects, in accordance with the stated financial reporting framework (International Public Sector Accounting Standards - IPSAS) and relevant state legislation.

The Audit Opinion:

Upon completion, the external auditor will issue one of four types of audit opinion:

1. **Unqualified (Clean) Opinion:** Indicates the financial statements are presented fairly.
2. **Qualified Opinion:** Suggests that, except for a specific matter, the financial statements are fairly presented.
3. **Adverse Opinion:** States that the financial statements are materially misstated and do not present a fair view.
4. **Disclaimer of Opinion:** Declares that the auditor was unable to obtain sufficient evidence to form an opinion.

Audit Process and PFF Responsibilities:

- **Submission:** The OAF is responsible for submitting the PFF's annual financial statements to the Auditor-General within three months of the financial year-end.
- **Cooperation:** The PFF Secretariat must provide the external auditors with full access to all accounting records, documentation, personnel, and information they may reasonably require.
- **Management Letter:** The external auditor will typically issue a Management Letter to the OAF and the Audit and Risk Sub-Committee, detailing observations on internal control weaknesses, operational inefficiencies, or non-compliance issues noted during the audit, even if not material to the financial statements.
- **Reporting:** The Auditor-General shall submit the final audit report to the ZIPA Board and the Zamfara State Ministry of Finance within six months after the financial year-end. The report may also be tabled before the Zamfara State House of Assembly.

7.4 Fraud, Misuse, and Financial Irregularity Response

The PFF maintains an absolute zero-tolerance stance towards fraud, corruption, bribery, and any form of financial malfeasance. This policy applies universally to all PFF staff, secondees, consultants, Contracting Authorities, Development Partners, and third parties engaged in PFF-funded activities.

A. Prevention and Detection:

Prevention is the primary strategy, achieved through the strong internal control framework and an ethical organizational culture. Key preventative measures include:

- **Mandatory Ethics Training:** For all personnel and key stakeholders.
- **Conflict of Interest Declarations:** Required from all staff and evaluation committee members.
- **Robust Vendor Due Diligence:** Before engaging contractors or consultants.
- **Fraud Risk Assessments:** Periodically conducted to identify vulnerabilities.

Detection relies on vigilant personnel, effective controls, and a secure whistleblowing mechanism. All staff are responsible for being alert to indicators of irregular activities and reporting suspicions.

B. Whistleblowing and Protected Disclosure:

The PFF is committed to providing secure, accessible, and confidential channels for reporting genuine concerns. The whistleblowing policy guarantees protection against retaliation for individuals who report in good faith.

Reporting Channels include:

- A dedicated, secure email address (e.g., pff.integrity@zipa.gov.ng) managed by designated officers from the Audit and Risk Sub-Committee and PFF Secretariat.
- Direct reporting to the OAF or the Chairperson of the Audit and Risk Sub-Committee.
- Anonymous reporting options, though follow-up may be limited.

C. Investigation and Response:

All reported incidents shall be subject to prompt, thorough, and impartial investigation.

1. **Initial Assessment:** The OAF and Audit and Risk Sub-Committee Chair assess the report to determine the appropriate investigative path.
2. **Investigation:** Depending on the severity, investigations may be conducted by the internal auditor, a special investigation team, or an external forensic firm. The investigation aims to establish facts objectively.
3. **Findings and Actions:** Investigation results are reported to the Audit and Risk Sub-Committee and the OAF. Actions may include:
 - **Administrative:** Disciplinary proceedings against staff, contract termination with vendors.
 - **Financial:** Recovery of misappropriated funds, imposition of penalties.
 - **Legal:** Referral to law enforcement or anti-corruption agencies (e.g., EFCC, ICPC) for criminal prosecution.
 - **Systemic:** Strengthening of controls to prevent recurrence.
4. **Communication:** Appropriate communication is made to the whistleblower (within confidentiality limits) and relevant stakeholders, including Development Partners if the issue relates to their funds.

7.5 Monitoring, Learning, and Continuous Improvement

A culture of continuous improvement is essential for the PFF to adapt, evolve, and enhance its effectiveness over time. This is facilitated by systematic monitoring, structured learning from experience, and the formal integration of lessons into policies and procedures.

A. Performance Monitoring Framework:

The PFF implements a comprehensive Monitoring, Evaluation, and Learning (MEL) framework. This framework

tracks performance against the Strategic Business Plan and Annual Work Plan using a balanced scorecard of Key Performance Indicators (KPIs). KPIs cover:

- **Financial Performance:** Fund sustainability, disbursement rates, cost recovery.
- **Operational Efficiency:** Application processing times, time to financial close for supported projects.
- **Development Impact:** Number of projects facilitated, value of private investment leveraged, sectoral outcomes.
- **Stakeholder Satisfaction:** Feedback from CAs and private partners.

B. Learning from Audits and Reviews:

Findings from internal and external audits, as well as evaluations of funded projects, are a critical learning resource. The PFF Secretariat is responsible for:

- **Maintaining an Audit Findings Register** to track all recommendations and their implementation status.
- **Conducting Root Cause Analysis** for recurring or significant issues to address systemic weaknesses, not just symptoms.
- **Sharing Lessons Learned** internally and with CAs to prevent similar issues across the portfolio.

C. Formal Review and Manual Updates:

The PFF's governance and operational documents are living instruments. The Governance and Operations Manual, Financial Management Manual, and Audit Manual are subject to periodic formal review.

- **Annual Review:** The PFF Secretariat conducts an annual review of the Manual's application to identify ambiguities or operational bottlenecks.
- **Stakeholder Feedback:** Feedback from CAs, DPs, and auditors is actively solicited and considered.
- **Amendment Process:** Proposed amendments follow a formal procedure: stakeholder request → PFF Secretariat analysis → PFF Steering Committee review → ZIPA Board approval → issuance of updated version.

D. Knowledge Management:

The PFF shall develop a knowledge management platform to capture, store, and disseminate insights, model documents, case studies, and best practices gleaned from its operations. This ensures institutional memory is preserved and accessible to build the capacity of both the Secretariat and future CAs.

8. ANTI-FRAUD, CORRUPTION, AND SAFEGUARD MEASURES

8.1 Anti-Fraud and Anti-Corruption Policy

The Zamfara State Project Facilitation Fund (PFF) establishes an unequivocal and absolute prohibition against all forms of fraudulent activity, corrupt practices, bribery, collusion, coercion, and financial malfeasance. This zero-tolerance policy represents a foundational pillar of the Fund's operational integrity and fiduciary responsibility. Its application is universal, extending to every individual and entity engaged with the Fund, including but not limited to: all employees and secondees of the PFF Secretariat; members of governing committees; officials of Contracting Authorities (CAs); consultants, contractors, and Transaction Advisors; Development Partner representatives; and private sector proponents participating in PFF-supported projects.

The objective of this policy is twofold: first, to establish a robust preventative environment that deters misconduct through clear standards and strong internal controls; and second, to institute decisive, transparent response mechanisms for any suspected violations, thereby safeguarding the Fund's resources and preserving public trust.

Definition of Prohibited Conduct:

For the purposes of this policy, the following constitutes prohibited conduct:

- **Fraud:** Any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. This includes, but is not limited to, asset misappropriation, fraudulent financial reporting, and corruption.
- **Corruption:** The abuse of entrusted power for private gain. This encompasses bribery (offering, giving, receiving, or soliciting anything of value to influence an action), kickbacks, nepotism, favoritism, and embezzlement.
- **Collusion:** A secret agreement between parties, often competitors, to deceive others by manipulating processes such as bidding, to achieve an illicit outcome like inflated prices or predetermined awards.
- **Coercion:** The practice of persuading someone to do something by using force, threats, or intimidation.
- **Obstruction of Investigations:** Deliberately destroying, falsifying, or concealing evidence, or providing false information to those conducting authorized audits or investigations.

Any stakeholder who identifies or reasonably suspects such conduct pertaining to PFF-administered funds or processes is under a positive obligation to report such concerns immediately through the designated channels.

8.2 Environmental and Social Safeguards

The PFF recognizes that sustainable development extends beyond financial viability to encompass responsible environmental stewardship and positive social outcomes. Consequently, the Fund will integrate and enforce stringent Environmental and Social Safeguards (ESS) across its portfolio of supported projects. These safeguards are designed to anticipate, avoid, minimize, and mitigate potential adverse environmental and social impacts, while enhancing project benefits. This commitment aligns with international best practices and the requirements of major Development Partners.

Core Safeguard Principles:

All PFF-supported projects shall be planned and implemented in accordance with the following principles:

1. **Environmental and Social Impact Assessment (ESIA):** Any project with the potential for significant environmental or social impacts must undergo a comprehensive ESIA process, conducted by independent, accredited experts. The PFF will not disburse funds for construction or physical activities under Windows 1 or 3 until a satisfactory ESIA Report and a corresponding Environmental and Social Management Plan (ESMP) have been prepared, disclosed to affected communities, and formally approved by the PFF Secretariat and relevant state regulatory bodies.

2. **Biodiversity Conservation and Sustainable Natural Resource Management:** Projects must avoid adverse impacts on critical natural habitats, protected areas, and endangered species. Where avoidance is not possible, mitigation hierarchy (minimize, restore, offset) shall be strictly applied.
3. **Community Health, Safety, and Security:** Projects must manage risks to the health and safety of communities and workers, including exposure to pollutants, construction hazards, and community safety around project sites.
4. **Land Acquisition, Involuntary Resettlement, and Livelihood Restoration:** Projects involving physical or economic displacement must conform to the principle of “improved or at least restored” livelihoods. A detailed Land Acquisition and Resettlement Action Plan (LARAP), developed through meaningful consultation with affected persons, is mandatory. The LARAP must outline transparent compensation at full replacement cost, provision of adequate housing, and comprehensive livelihood restoration support.
5. **Indigenous Peoples and Vulnerable Groups:** Projects affecting indigenous communities or other vulnerable groups (e.g., the poor, women-headed households, persons with disabilities) require a process of Free, Prior, and Informed Consent (FPIC) and the development of specific Indigenous Peoples Plans or Vulnerable Groups Development Plans to ensure they receive culturally appropriate benefits and are not disproportionately disadvantaged.
6. **Labor and Working Conditions:** All project-related employment, whether by the CA, contractor, or private partner, shall adhere to fundamental labor standards, including provisions for occupational health and safety, non-discrimination, and the prohibition of child and forced labor.
7. **Stakeholder Engagement and Grievance Redress Mechanism (GRM):** A project-specific GRM, accessible, transparent, and fair, must be established to receive and address concerns from affected communities and workers in a timely manner. The existence and functionality of the GRM will be a condition for continued PFF funding.

Table 8.1: Environmental and Social Safeguard Implementation Process

Project Phase	PFF Requirement	Responsible Entity	PFF Secretariat Oversight
Concept and Screening	Initial Environmental and Social Screening to determine risk category (High, Medium, Low).	Contracting Authority (CA) with PFF support.	Review screening report; determine level of further assessment required.
Feasibility and Preparation	For Medium/High-risk projects: Conduct full ESIA and develop ESMP/LARAP as needed.	CA hires independent consultants (PFF can fund via Window 1).	Review and approve ToR for consultants; review draft ESIA/ESMP; ensure stakeholder consultation.
Procurement	Include ESMP/LARAP requirements and compliance clauses in all bidding and contract documents.	CA with PFF support.	Review procurement documents to ensure safeguard integration.
Implementation	Execute ESMP/LARAP; operationalize GRM; conduct regular monitoring and reporting.	Project Sponsor/Contractor, monitored by CA.	Review periodic monitoring reports; conduct spot audits; link disbursement milestones to safeguard compliance.
Operations and Monitoring	Long-term monitoring of environmental and social performance; audit of GRM effectiveness.	Private Partner/Operator, supervised by CA.	Review annual performance reports; conduct periodic independent evaluations.

8.3 Anti-Fraud, Corruption and Safeguards Charter

To codify its commitments and provide a clear, public statement of principles, the PFF shall adopt a formal Anti-Fraud, Corruption and Safeguards Charter. This Charter will be a stand-alone document, endorsed by the ZIPA Board and publicly displayed on the PFF website. It serves as a covenant with all stakeholders, articulating the Fund’s non-negotiable ethical and operational standards.

Key Components of the Charter:

- **Preamble:** A statement of the PFF's fundamental commitment to integrity, sustainability, and accountability.
- **Guiding Principles:** A concise listing of the core ethical principles governing all PFF activities (e.g., transparency, fairness, zero-tolerance for fraud, sustainability).
- **Commitments:**
 - To maintain and enforce robust internal controls to prevent fraud and corruption.
 - To integrate and enforce environmental and social safeguards in all supported projects.
 - To provide secure, protected channels for reporting misconduct (whistleblowing).
 - To conduct impartial and thorough investigations into all allegations.
 - To apply consistent and appropriate sanctions for violations.
 - To publicly disclose relevant information on projects, finances, and safeguards.
- **Stakeholder Pledge:** A call to action for all stakeholders CAs, private partners, consultants, and communities to uphold the principles of the Charter in their engagement with the PFF.
- **Signature Block:** For endorsement by the Chairman of the ZIPA Board and the Officer Administering the Fund.

The Charter is not merely symbolic; it forms a binding reference point for all Funding Agreements and contracts. A clause will be included in these documents requiring the signatory parties to adhere to the principles and specific measures outlined in the Charter.

8.4 Institutional Responsibilities

The effective implementation of anti-fraud, anti-corruption, and safeguard measures requires clear allocation of responsibilities across the PFF governance structure.

A. ZIPA Board and Audit and Risk Sub-Committee:

- **Ultimate Accountability:** The ZIPA Board bears ultimate responsibility for fostering a culture of integrity and ensuring the adequacy of the PFF's anti-fraud and safeguard frameworks.
- **Oversight:** The Audit and Risk Sub-Committee provides dedicated oversight, reviewing regular reports on fraud risks, investigation outcomes, and safeguard compliance.
- **Policy Approval:** Approves the Anti-Fraud and Anti-Corruption Policy, the Safeguards Framework, and the Charter.

B. Officer Administering the Fund (OAF):

- **Executive Leadership:** The OAF is responsible for the day-to-day implementation and enforcement of all policies and the Charter.
- **Tone at the Top:** Must exemplify the highest ethical standards and communicate the zero-tolerance policy unequivocally to all staff and stakeholders.
- **Incident Response:** Responsible for initiating and overseeing investigations into significant allegations, in consultation with the Audit and Risk Sub-Committee.

C. PFF Secretariat:

The Secretariat serves as the operational arm for executing these policies. Specific roles include:

- **Fund Manager:** Ensures anti-fraud and safeguard criteria are integrated into application assessment and funding decisions; monitors portfolio for red flags.
- **Procurement Officer:** Implements procurement integrity measures; ensures bidding documents include anti-corruption and safeguard clauses.
- **M&E/Safeguards Specialist:** Responsible for reviewing and monitoring ESIA, ESMPs, LARAPs, and GRM functionality; provides technical guidance to CAs; reports on safeguard compliance.

- **All Staff:** Every staff member is responsible for understanding these policies, complying with them in their work, and reporting any suspected violations.

D. Contracting Authorities (CAs):

CAs are the primary implementing entities for PFF-funded projects and thus carry direct, on-ground responsibility.

- **Compliance:** Must adhere to all PFF anti-fraud and safeguard requirements as stipulated in the Funding Agreement.
- **Due Diligence:** Must conduct appropriate due diligence on their own contractors and consultants.
- **Implementation:** Are responsible for ensuring their projects comply with approved ESMPs/LARAPs, operate a functional GRM, and maintain transparent financial records.
- **Reporting:** Must report any suspected fraud or safeguard violations within their project sphere to the PFF Secretariat immediately.

E. Development Partners (DPs):

DPs play a critical role in supporting and validating the PFF's systems.

- **Covenants:** Often include specific anti-corruption and environmental-social covenants in Financing Agreements, which the PFF must meet.
- **Review and Audit:** May conduct their own reviews and audits of the PFF's systems and supported projects.
- **Capacity Support:** May provide technical assistance to strengthen the PFF's and CAs' capacities in these areas.

9. DURATION AND WINDING UP OF THE FUND

9.1 Permanence and Review Cycle

The Zamfara State Project Facilitation Fund (PFF) is established as a permanent financial instrument within the state's public financial management architecture, intended to operate on a continuous, revolving basis. Its establishment does not presuppose a finite operational lifespan; rather, it is conceived as an enduring institution necessary to perpetually address the catalytic financing needs inherent in the state's long-term infrastructure development strategy through Public-Private Partnerships (PPPs). The Fund's permanence is justified by the ongoing nature of infrastructure requirements, the continuous evolution of PPP models, and the perpetual need for a dedicated mechanism to de-risk projects and mobilize private capital.

However, the principle of permanence is balanced by a mandatory, structured review mechanism to ensure the Fund's continued relevance, effectiveness, and strategic alignment. A static institution risks obsolescence; therefore, the PFF is subject to a formalized, multi-tiered review cycle designed to provide rigorous assessments of its performance and strategic direction.

Structured Review Framework:

1. **Annual Performance Review:** Conducted internally by the PFF Secretariat and the PFF Steering Committee, this review assesses performance against the Annual Work Plan, budget execution, and Key Performance Indicators (KPIs). Findings inform operational adjustments and the planning for the subsequent fiscal year.
2. **Triennial Strategic Evaluation:** Every three years, a comprehensive external evaluation shall be commissioned. This evaluation will be conducted by independent consultants of international repute and will examine:
 - The Fund's overall development impact and additionality.
 - The efficiency and effectiveness of its governance and operational processes.
 - The health and sustainability of its financial model.
 - Its alignment with the evolving economic priorities and PPP policy of Zamfara State.
 - Comparative analysis against similar facilitation funds in other jurisdictions.
3. **Decennial Fundamental Review:** As stipulated in its foundational mandate, a fundamental, in-depth review of the PFF's very existence and performance shall be instituted after a period of ten years from its operational commencement. This review, ordered by His Excellency, the Governor of Zamfara State, will be the most consequential. Its scope will determine whether the PFF has successfully fulfilled the core objectives for which it was established. The review's conclusions will directly inform a high-level policy decision regarding the Fund's future: continuation, significant restructuring, or initiation of winding-up procedures.

These cyclical reviews ensure the Fund is subject to constant improvement and remains a dynamic, fit-for-purpose instrument, capable of adapting to changing fiscal environments, market conditions, and state development goals.

9.2 Conditions for Winding Up or Restructuring

Established as a permanent vehicle, the PFF may be subject to formal winding up or substantial restructuring under specific, clearly defined circumstances. The authority to initiate such action rests solely with His Excellency, the Governor of Zamfara State, acting upon recommendation from the ZIPA Board and subject to the subsequent approval of the Zamfara State House of Assembly.

Table 9.1: Conditions and Triggers for Winding Up or Restructuring

CONDITION	DESCRIPTION AND JUSTIFICATION	LIKELY OUTCOME
Fulfillment of Core Mandate	A formal determination, typically stemming from the Decennial Review, that the PFF has successfully catalyzed a mature, self-sustaining PPP market in Zamfara State. The Fund's interventions are no longer critically required as the market can function efficiently without catalytic support.	Orderly Winding Up: The Fund is dissolved as its foundational purpose has been achieved.
Strategic Redundancy	A fundamental shift in state policy or fiscal strategy renders the PFF's model obsolete (e.g., a decision to cease PPP development entirely, or to consolidate all project financing under a different, overarching state fund).	Winding Up or Absorption: The Fund is closed, and any remaining functions/assets are transferred to a designated successor entity.
Chronic Underperformance or Insolvency	Persistent failure to meet performance targets, inability to mobilize resources, a portfolio of failed projects, or a financial position that is irredeemably insolvent, indicating an incapacity to execute its mandate effectively.	Restructuring or Winding Up: Depending on the root causes, the Fund may be radically restructured (new governance, mandate, management) or wound up if restoration is deemed not viable.
Legal or Regulatory Imperative	A change in national or state legislation that prohibits or fundamentally conflicts with the PFF's operational model, making continued existence unlawful or impractical.	Mandatory Winding Up or Legal Restructuring.
Irreconcilable Fiduciary Breach	A catastrophic failure of governance or control leading to massive fraud, loss of Development Partner confidence, or a reputational crisis so severe that the Fund's credibility cannot be restored.	Expedited Winding Up.

The decision to wind up or restructure is not to be taken lightly and must be preceded by a comprehensive options analysis, detailing the implications for ongoing projects, state liabilities, and staff.

9.3 Treatment of Outstanding Commitments

The winding up of a financial institution like the PFF presents complex fiduciary challenges, primarily concerning the treatment of outstanding legal and financial commitments. A paramount principle governing the winding-up process is that the state's creditworthiness and contractual obligations must be preserved inviolate. The process must ensure that no legitimate creditor, whether a Development Partner, a private investor, or a consultant, is unfairly disadvantaged.

A meticulously sequenced approach to settling commitments is therefore mandated:

1. **Comprehensive Liability Identification and Valuation:** The first administrative step is a complete audit and valuation of all outstanding obligations. This includes:
 - a. **Active Funding Agreements:** Un-disbursed commitments to ongoing PPP projects under Windows 1, 3, and 4.
 - b. **Contingent Liabilities:** Any potential obligations under the Window 4 reserve that have been triggered or are in the process of adjudication.
 - c. **Financial Liabilities:** Amounts owed to consultants, service providers, and staff.
 - d. **Development Partner Agreements:** Any unspent balances or specific obligations (e.g., audit requirements, reporting) under Financing Agreements.
2. **Hierarchy of Settlement:** Upon identification, commitments will be settled according to the following priority:
 - a. **First Priority: Staff and Operational Creditors:** Settlement of outstanding salaries, terminal benefits, and payments due to vendors for services already rendered to the PFF Secretariat.

- b. **Second Priority: Fulfillment of Irreversible Project Commitments:** Honoring signed Funding Agreements for projects that have achieved financial close and are under construction or operation. Abandoning these would cause direct harm to the state's reputation and potentially trigger litigation and termination payments.
 - c. **Third Priority: Managed Closure of Pipeline Projects:** For projects in early preparation (Window 1), a decision will be made, in consultation with the relevant CA, on whether to complete the preparatory work (funded by a final allocation) or to terminate support, with any recoverable advances called in.
 - d. **Fourth Priority: Settlement with Development Partners:** Negotiation for the formal closure of Financing Agreements, which may involve the return of unutilized grant balances or a final accountability report.
3. **Source of Settlement Funds:** The settlement of these liabilities will be funded from:
- a. The remaining liquid assets in the PFF's bank accounts (Operations Account, Contingent Liability Reserve).
 - b. The recovery of all outstanding receivables (success fees, recoverable advances).
 - c. If a deficit exists, the Zamfara State Ministry of Finance (ZSMoF), with the explicit approval of the State House of Assembly, shall appropriate the necessary funds from the state budget to ensure all obligations are met in full. This state guarantee is fundamental to the PFF's original credibility.

9.4 Institutional Transition Arrangements

The dissolution of the PFF requires careful management of institutional knowledge, assets, and ongoing functions to ensure a seamless transition and preserve state capability.

A. Transfer of Knowledge and Archival Functions:

A critical winding-up task is the preservation of institutional memory. The Officer Administering the Fund (OAF) shall oversee the systematic cataloging, annotation, and secure transfer of all proprietary information to ZIPA for permanent archival custody. This includes:

- **Project Archives:** Complete dossiers for all funded projects, including feasibility studies, contracts, financial models, and evaluation reports.
- **Process Documentation:** All operational manuals, guidelines, templates, and lessons-learned reports.
- **Legal and Financial Records:** All executed agreements, audit reports, board minutes, and financial statements.
- **Intellectual Property:** Any model contracts, software, or methodologies developed by the PFF.

This archive will serve as a vital resource for future PPP initiatives in the state, ensuring that experience is not lost.

B. Management and Disposition of Physical Assets:

The OAF shall conduct a comprehensive physical inventory of all assets procured by or assigned to the PFF Secretariat (e.g., office equipment, furniture, IT hardware, vehicles). This verified inventory shall be transferred to the custody and legal ownership of the Zamfara State Ministry of Finance (ZSMoF). ZSMoF will then determine, in accordance with state asset management regulations, whether to reallocate these assets to other government units or to dispose of them through authorized channels, with any proceeds reverting to the state consolidated revenue fund.

C. Assumption of Residual Obligations and Staff Transition:

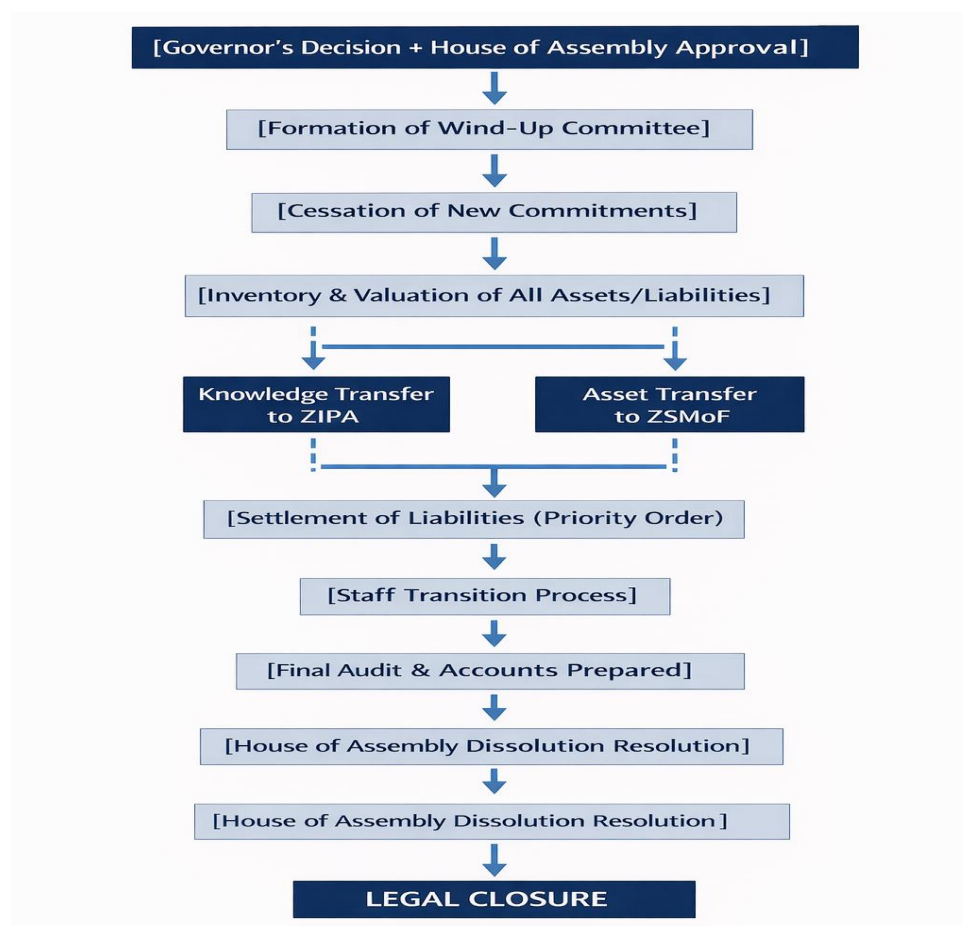
- **Residual Obligations:** Any long-term obligations that survive the winding up (e.g., warranties, latent defects liabilities from projects, or long-term monitoring requirements) shall be formally identified, legally documented, and transferred to the Zamfara State Ministry of Finance (ZSMoF) or another designated MDA for ongoing management.

- **Staff Transition:** The winding-up process will be conducted in full compliance with the Zamfara State Public Service Rules. Staff of the PFF Secretariat will be notified according to statutory guidelines. Options may include redeployment to other positions within ZIPA or the broader state civil service, or termination with payment of all accrued terminal benefits as prescribed by law. The process will be managed humanely and transparently.

D. Final Accounting and Legislative Closure:

1. **Final Audit:** An independent final audit of the PFF's accounts, covering the period from the last annual audit to the date of wind-up, shall be commissioned immediately.
2. **Final Statement of Accounts:** The OAF shall prepare a final statement of accounts, incorporating the audit opinion.
3. **Executive and Legislative Reporting:** His Excellency, the Governor, shall submit this final statement to the Zamfara State House of Assembly and the Office of the Auditor-General for Zamfara State within nine (9) months of the wind-up decision.
4. **Formal Dissolution:** Following the discharge of all liabilities and the submission of final accounts, the Zamfara State House of Assembly will pass a resolution formally dissolving the PFF, thereby providing the legal closure of the entity.

Figure 9.1: The PFF Winding-Up Process Flow



10. FUND PERFORMANCE MANAGEMENT FRAMEWORK

10.1 Key Performance Areas

The operational effectiveness and strategic impact of the Zamfara State Project Facilitation Fund (PFF) shall be governed by a comprehensive performance management framework. This framework transcends mere financial tracking to encompass a holistic assessment of the Fund's contribution to the state's developmental objectives. Performance management is not a retrospective exercise but a forward-looking mechanism for strategic steering, operational adjustment, and accountability assurance. The framework is organized around five interconnected Key Performance Areas (KPA's), ensuring a balanced evaluation across financial, operational, developmental, and institutional dimensions.

1. Financial Sustainability and Resource Management

This KPA evaluates the Fund's fiscal health, efficiency in capital deployment, and ability to maintain its revolving nature. It assesses whether the PFF is structured to operate as a going concern, capable of sustaining its catalytic function over the long term without requiring perpetual budgetary bailouts. Critical considerations include the cost-efficiency of operations, the recovery rate of advances, the management of liquidity and reserves, and the success of resource mobilization efforts.

2. Operational Efficiency and Process Effectiveness

This area examines the internal mechanics of the Fund. It focuses on the timeliness, accuracy, and transparency of core processes: from application intake and due diligence to approval, contracting, and disbursement. The objective is to minimize administrative bottlenecks, reduce the time-to-financial-close for supported projects, and ensure that internal procedures are lean, predictable, and user-friendly for Contracting Authorities and partners.

3. Portfolio Development Impact and Outcome Achievement

The most critical KPA measures the real-world results of the PFF's interventions. It shifts focus from activity outputs to tangible outcomes. This encompasses the quantity and quality of infrastructure and services delivered through PFF-supported PPPs, the extent of private capital leveraged, the generation of employment, improvements in public service delivery (e.g., reduced water scarcity, improved healthcare access), and contributions to broader economic growth and regional development within Zamfara State.

4. Stakeholder Satisfaction and Market Confidence

This KPA gauges the perceptions and experiences of the Fund's clients and partners. It assesses the level of satisfaction among Contracting Authorities regarding the support received, the confidence of private investors and financiers in the PFF's processes and the projects it endorses, and the credibility of the Fund in the eyes of Development Partners. Strong performance here indicates a well-regarded institution that effectively serves its constituents and stimulates market activity.

5. Institutional Governance, Compliance, and Learning

This area evaluates the robustness of the Fund's governance structures, its adherence to legal and policy frameworks, and its capacity for adaptive management. It includes assessments of audit outcomes, implementation of audit recommendations, the effectiveness of risk management systems, and the institution's proactive efforts to capture lessons learned and integrate them into improved policies and practices.

10.2 Performance Indicators

Each Key Performance Area is operationalized through a set of specific, measurable, achievable, relevant, and time-bound (SMART) indicators. These indicators provide the quantifiable and qualitative data necessary for objective assessment.

Table 10.1: Performance Indicators by Key Performance Area

KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	REPRESENTATIVE PERFORMANCE INDICATORS
Financial Sustainability	To maintain a viable, revolving fund that efficiently deploys capital.	<ul style="list-style-type: none"> - Fund Sustainability Ratio (Recoveries + Internal Revenue / Total Operating Costs). - Average time for recovery of advances. - Cost of PFF support as a percentage of total project capital cost. - Value of private investment leveraged per Naira of PFF VGF.
Operational Efficiency	To deliver timely, predictable, and transparent support services.	<ul style="list-style-type: none"> - Average processing time (in days) for funding applications, by stage. - Percentage of disbursements made within 10 working days of milestone verification. - Number of procedural complaints from CAs per quarter. - System uptime and reliability of the PFF Management Information System (MIS).
Development Impact	To catalyze the delivery of high-impact, sustainable infrastructure and services.	<ul style="list-style-type: none"> - Number and aggregate value of PPP projects reaching financial close with PFF support. - Additional infrastructure capacity created (e.g., MW of energy, km of roads, number of hospital beds). - Estimated number of direct and indirect jobs created. - User satisfaction scores for services from operational PFF-supported projects.
Stakeholder Confidence	To be perceived as a credible, effective, and indispensable institution.	<ul style="list-style-type: none"> - Contracting Authority satisfaction index from annual surveys. - Number of unsolicited investor inquiries regarding the State PPP pipeline. - Development Partner assessment scores on fiduciary and safeguard management. - Credit rating or perception of PFF-supported project bonds (if applicable).
Governance and Learning	To exemplify best practice in public financial governance and adaptive management.	<ul style="list-style-type: none"> - Percentage of internal and external audit recommendations implemented within agreed timelines. - Number of policy or manual revisions initiated from lessons-learned reviews. - Completion rate of mandatory ethics and technical training for staff and CA personnel. - Existence and utilization of a live, updated institutional risk register.

10.3 Monitoring and Reporting Cycle

A disciplined and regular monitoring and reporting cycle is the engine that drives the performance management framework. It transforms data from indicators into actionable management information and ensures transparent accountability to oversight bodies.

A. Continuous and Periodic Monitoring:

- **Real-Time Dashboard:** The PFF MIS shall feature an executive dashboard displaying critical KPIs, providing the OAF and Fund Manager with immediate visibility into portfolio health and operational status.
- **Monthly Operational Reviews:** The PFF Secretariat leadership will conduct monthly reviews of operational metrics (application pipeline, disbursement status, budget vs. actuals) to identify and address bottlenecks.
- **Quarterly Portfolio Reviews:** The PFF Steering Committee will convene quarterly to review a consolidated performance report. This report will analyze trends, assess risks, and evaluate progress against the Annual Work Plan. A standardized "traffic light" system (Red/Amber/Green) will be used to flag areas requiring attention.

B. Structured Reporting Cadence:

Reporting follows a tiered structure aligned with stakeholder needs.

Table 10.2: Mandatory Performance Reporting Schedule

REPORT	FREQUENCY	PREPARED BY	PRIMARY AUDIENCE	CORE CONTENT
Operational Status Report	Monthly	PFF Secretariat	OAF, Fund Manager	Pipeline metrics, disbursement updates, budget variance, operational issues.
Quarterly Performance Report	Quarterly	PFF Secretariat	PFF Steering Committee, ZIPA Board	Comprehensive analysis against all KPIs; portfolio performance; risk assessment; corrective actions.
Annual Performance Report	Annually	PFF Secretariat	ZIPA Board, ZSMoF, DPs, Public (Abridged)	Full-year synthesis of performance, financial statements, lessons learned, outlook for coming year.
Project Completion Report	Per Project	Contracting Authority (CA)	PFF Secretariat, PFF-SC	Final account, evaluation of outcomes vs. objectives, lessons from implementation.

10.4 Independent Evaluation

Internal monitoring is essential, objective validation through independent evaluation is critical for credibility and deep learning. The PFF shall institutionalize two primary forms of independent evaluation:

1. Project-Level Ex-Post Evaluations: Approximately 12-18 months after a PFF-supported project becomes operational, an independent evaluator shall be commissioned to conduct an ex-post evaluation. This evaluation will assess:

- Whether the project achieved its forecasted development outcomes and service delivery targets.
- The accuracy of the original financial model and risk assumptions.
- The effectiveness and appropriateness of the PFF's support intervention.
- The sustainability of the project's operational and financial model.
- Unanticipated social, environmental, or economic impacts.

2. Fund-Level Strategic Evaluations: As outlined in Section 9.1, independent triennial and decennial evaluations of the entire PFF will be conducted. These evaluations are broader in scope, examining the Fund's strategic relevance, overall development additionality, cost-effectiveness compared to alternative delivery models, and its fit within the state's evolving public investment landscape. The findings of these evaluations are pivotal for high-level strategic decisions regarding the Fund's future direction.

10.5 Feedback and Adaptive Learning

A performance management system is deficient if it does not close the loop by translating findings into improved practice. The PFF shall establish a formal Feedback and Adaptive Learning (FAL) system.

Mechanisms for Integration:

- **Structured Lessons-Learned Workshops:** Following project completions, evaluations, and audit cycles, facilitated workshops will be held with relevant PFF staff, CA personnel, and sometimes external partners to distill concrete lessons.
- **Formal Management Response Tracker:** All recommendations from audits, evaluations, and stakeholder feedback will be logged in a central tracker. Each recommendation will have an assigned owner, an implementation plan, and a deadline. Implementation status will be a standing agenda item for the Audit and Risk Sub-Committee.
- **Annual Policy and Manual Review:** The annual review of the Governance and Operations Manual and related documents (see Section 1.1.6) will be explicitly informed by the lessons captured through the FAL system. This ensures that procedural improvements are codified into official policy.

10.6 Integration with State-Level Monitoring Systems

The PFF does not operate in isolation. Its performance and the performance of the projects it supports are components of the Zamfara State Government's broader development agenda. Therefore, the Fund's monitoring systems must be interoperable with state-wide frameworks.

Key Integration Points:

1. **Zamfara State Integrated Financial Management Information System (Z-SIFMIS):** The PFF's accounting and budget execution data will be formatted and reported in a manner fully compatible with Z-SIFMIS. This allows the Zamfara State Ministry of Finance (ZSMoF) to consolidate the PFF's fiscal position seamlessly within the state's overall financial statements, ensuring transparency in public expenditure.
2. **State Performance Monitoring and Evaluation (M&E) Framework:** The PFF's outcome-level indicators (KPA 3: Development Impact) shall be mapped to relevant indicators in the state's overarching M&E framework, such as those found in the State Development Plan or the Zamfara State Vision. This enables the state government to track how PFF activities contribute to high-level goals like "improved infrastructure access" or "enhanced economic productivity."
3. **Debt Management and Fiscal Risk Systems:** Data on contingent liabilities supported by the PFF's Window 4 and on long-term fiscal commitments from VGF (Window 3) must be regularly reported to ZSMoF's debt management office. This is critical for the state's macroeconomic stability, accurate fiscal forecasting, and sovereign risk management.
4. **Zamfara State PPP Unit's Project Pipeline Database:** The PFF's project pipeline is intrinsically linked to the central PPP pipeline maintained by the ZIPA PPP Unit. Status updates on PFF-supported projects from preparation to operation must feed automatically into this central database, providing a single source of truth for all stakeholders on the status of the state's PPP program.

ANNEXURE 1:

TERMS OF REFERENCE FOR THE PROJECT FACILITATION FUND SECRETARIAT

1.0 ESTABLISHMENT AND REPORTING RELATIONSHIPS

1.1 The Project Facilitation Fund (PFF) Secretariat is hereby established as the permanent administrative and operational arm of the Zamfara State Project Facilitation Fund. The Secretariat shall be domiciled within the organizational structure of the Zamfara Investment and Promotion Agency (ZIPA), specifically reporting through the ZIPA Public-Private Partnership (PPP) Unit, to leverage existing institutional expertise and ensure strategic alignment with the state's investment promotion objectives.

1.2 The Secretariat operates under the direct executive supervision of the Officer Administering the Fund (OAF), who is the Executive Secretary ZIPA. For all technical, operational, and day-to-day management matters, the Secretariat Head, designated as the Fund Manager, shall report to the OAF.

1.3 The Secretariat is accountable to the PFF Steering Committee (PFF-SC) for the technical execution of its mandate and the provision of secretariat services to the Committee. It shall also provide all necessary information and reports to the ZIPA Board, the Audit and Risk Sub-Committee, the Zamfara State Ministry of Finance (ZSMoF), and relevant Development Partners as stipulated in respective agreements.

2.0 CORE MANDATE AND OBJECTIVES

2.1 The primary mandate of the PFF Secretariat is to ensure the effective, efficient, transparent, and accountable administration of all financial and operational activities of the Project Facilitation Fund, in strict accordance with the provisions of the PFF Governance and Operations Manual, the ZIPA Establishment Law, and all applicable state regulations.

2.2 To fulfill this mandate, the Secretariat shall pursue the following strategic objectives:

- To serve as the primary interface and support mechanism for all Contracting Authorities (CAs) seeking access to PFF resources.
- To manage the end-to-end cycle of fund applications, from receipt and screening through to due diligence, recommendation, and post-disbursement monitoring.
- To execute robust financial management, treasury operations, and comprehensive reporting for all Fund resources.
- To facilitate and quality-assure procurement processes for PFF-financed activities, ensuring value for money and compliance.
- To implement the Fund's performance management, monitoring, and evaluation framework.
- To maintain the Fund's institutional knowledge base and ensure the integrity of all records and data systems.

3.0 ORGANIZATIONAL STRUCTURE AND KEY POSITIONS

The Secretariat shall be staffed by a core team of dedicated professionals. The recommended minimum structure comprises the following key positions, with job descriptions for each to be separately detailed:

Table 1: PFF Secretariat Core Structure

Position	Core Function	Primary Reporting Line
Fund Manager	Overall leadership, strategic coordination, portfolio management, and representation of the Secretariat.	Officer Administering the Fund (OAF)
Senior Finance Officer / Accountant	Full spectrum of financial management, including budgeting, accounting, disbursements, treasury, and financial reporting.	Fund Manager
Procurement and Contracts Officer	Management of all PFF-related procurement processes and administration of resulting contracts and funding agreements.	Fund Manager
Monitoring, Evaluation and	Implementation of the performance framework,	Fund Manager

Learning (MEL) Officer	data collection, impact assessment, and lessons-learned documentation.	
Administrative and ICT Support Officer	Management of office administration, records, the PFF Management Information System (MIS), and stakeholder communications.	Fund Manager

The OAF, in consultation with the ZIPA Board, may adjust this structure based on operational requirements and resource availability. Secretariat staff may be seconded from relevant MDAs, including ZSMoF and ZIPA, or recruited directly.

4.0 DETAILED FUNCTIONS AND RESPONSIBILITIES

The collective responsibilities of the Secretariat are enumerated below, organized by functional domain.

4.1 Fund Administration and Application Management

- Develop, publish, and maintain all application guidelines, forms, and procedural checklists for potential beneficiaries.
- Serve as the first point of contact for all inquiries from CAs and other stakeholders regarding Fund access and procedures.
- Receive, formally acknowledge, log, and conduct initial completeness and eligibility screening of all funding applications.
- Coordinate the comprehensive technical and financial due diligence process for applications, including the preparation of assessment dossiers for the PFF Steering Committee.
- Manage the entire application pipeline, providing regular status updates to applicants and the PFF-SC.
- Prepare and execute legally sound Funding Agreements and amendments upon approval from the ZIPA Board.

4.2 Financial Management and Treasury Operations

- Prepare the PFF's Annual Work Plan and Budget in alignment with the Strategic Business Plan, for submission and approval.
- Manage all bank accounts and liquidity, ensuring optimal cash flow to meet operational and disbursement needs.
- Process all approved disbursements and recoveries in a timely and accurate manner, maintaining a complete audit trail.
- Maintain full and accurate accounting records in compliance with International Public Sector Accounting Standards (IPSAS) and state directives.
- Prepare monthly, quarterly, and annual financial statements and reports for management and external stakeholders.
- Facilitate both internal and external audit processes, providing all requested documentation and implementing agreed recommendations.

4.3 Procurement Facilitation and Contract Administration

- Develop and implement the PFF's Annual Procurement Plan for Secretariat operations and Window 2 activities.
- Provide technical support to CAs in developing procurement strategies and documents for PFF-financed consultancies and services.
- As required, manage the procurement process for Transaction Advisors and other critical consultants on behalf of CAs, ensuring transparency and competitiveness.
- Maintain a central repository and register for all active contracts and Funding Agreements.
- Monitor contractor and grantee performance against contractual milestones, linking verification to payment processing.

4.4 Performance Monitoring, Evaluation, and Reporting

- Operationalize the PFF's Monitoring, Evaluation, and Learning (MEL) framework, collecting data on all Key Performance Indicators (KPIs).
- Monitor the physical and financial progress of all PFF-supported projects through desk reviews and field visits.
- Prepare consolidated quarterly and annual performance reports for the PFF-SC, ZIPA Board, and other stakeholders.
- Conduct and commission studies, including ex-post evaluations of completed projects, to assess impact and derive lessons learned.
- Maintain the Fund's public-facing digital portal and internal Management Information System (MIS) for data integrity and transparency.

4.5 Institutional Strengthening and Knowledge Management

- Organize and coordinate capacity-building programs for CA staff and other government stakeholders on PPP development and PFF procedures.
- Curate and manage a knowledge repository containing model documents, case studies, best practices, and lessons from the Fund's portfolio.
- Support the OAF in resource mobilization activities, including the preparation of proposals and reports for Development Partners.
- Provide general technical advisory support to CAs on project structuring and PPP transaction management.

5.0 GOVERNANCE SUPPORT AND COMMITTEE SECRETARIAT SERVICES

5.1 The PFF Secretariat shall act as the Secretariat for the PFF Steering Committee (PFF-SC) and provide substantial support to the Audit and Risk Sub-Committee. Specific duties include:

- a) Preparing and circulating meeting agendas, work plans, and supporting documents in advance of committee meetings.
- b) Recording detailed minutes of meetings, capturing deliberations, decisions, and action items.
- c) Distributing finalized minutes and tracking the implementation of committee directives.
- d) Providing any requested technical, administrative, or research support to committee members to facilitate their oversight functions.

6.0 RESOURCE REQUIREMENTS AND SUPPORT FROM ZIPA

6.1 To execute its functions effectively, the PFF Secretariat requires and shall be provided with:

- a) **Dedicated Physical Premises:** Suitable office space within or in proximity to ZIPA headquarters, equipped with necessary furniture, fittings, and utilities.
- b) **ICT Infrastructure:** Reliable computer hardware, specialized software (accounting, procurement, project management), and robust connectivity, including support for the PFF MIS.
- c) **Administrative Budget:** An annual operational budget, approved through the PFF's own budgeting process (Window 2), covering staff costs, consumables, travel, training, and advisory services.
- d) **Legal and Advisory Support:** Access to ZIPA's legal unit for contract vetting and dispute advisory, and to other technical departments for specialized input.

6.2 ZIPA, as the host agency, shall provide overarching institutional backing, including reputational standing, integration with state systems, and administrative HR and logistical support where applicable.

7.0 PERFORMANCE REVIEW

7.1 The performance of the PFF Secretariat as an entity, and of the Fund Manager as its head, shall be assessed annually against the agreed Annual Work Plan and the Key Performance Indicators outlined in the PFF Performance Management Framework.

7.2 The primary evaluator shall be the Officer Administering the Fund (OAF), with input from the PFF Steering Committee. The assessment will inform strategic planning, resource allocation, and any necessary organizational development for the subsequent year.

APPENDIX 2:

SAMPLE PROJECT FACILITATION FUNDING AGREEMENT

THIS FUNDING AGREEMENT is made and entered into on this [DATE] day of [MONTH], [YEAR]

BETWEEN:

THE PROJECT FACILITATION FUND (PFF), a fund established under the auspices of the Zamfara Investment and Promotion Agency (ZIPA), with its principal office at [ADDRESS] (hereinafter referred to as “the Fund”), represented by [NAME], the Officer Administering the Fund, duly authorized in that behalf.

AND:

[CONTRACTING AUTHORITY NAME], a Ministry/Department/Agency of the Zamfara State Government, established under [RELEVANT LAW], with its principal office at [ADDRESS] (hereinafter referred to as “the Recipient”), represented by [NAME, TITLE], duly authorized in that behalf.

(Collectively referred to as “the Parties”)

WHEREAS:

A. The Fund is established to provide financial support for the development and implementation of Public-Private Partnership projects in Zamfara State.

B. The Recipient has submitted an application for funding under **PFF Support Window [NUMBER: e.g., 1 - Project Preparation]** for the project titled [PROJECT TITLE] (the “Project”), which application was approved by the ZIPA Board on [DATE OF APPROVAL].

C. The Parties wish to set forth the terms and conditions governing the provision of financial support by the Fund to the Recipient.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

Terms used herein shall have the meanings ascribed to them in the PFF Governance and Operations Manual, unless otherwise defined.

2. GRANT OF FUNDING

2.1 Subject to the terms of this Agreement, the Fund agrees to provide financial support to the Recipient in the total sum of [AMOUNT IN NAIRA] ([AMOUNT IN WORDS] Naira) (the “Funding Amount”).

2.2 The Funding Amount is designated for the specific purposes outlined in **Annex A: Detailed Budget and Work Plan**, which forms an integral part of this Agreement.

2.3 The nature of this funding is a [GRANT / RECOVERABLE ADVANCE]. If a Recoverable Advance, the repayment terms are specified in **Clause 7**.

3. DISBURSEMENT PROCEDURE

3.1 Disbursements shall be made in tranches, contingent upon the Recipient’s achievement of the milestones detailed in **Annex B: Disbursement Milestone Schedule**.

3.2 To request a disbursement, the Recipient shall submit a **Milestone Completion Report**, along with all supporting evidence as stipulated in Annex B, to the Fund Manager.

3.3 The Fund shall review the submission and, upon verification of satisfactory milestone achievement, disburse the corresponding tranche within fifteen (15) working days.

4. OBLIGATIONS OF THE RECIPIENT

The Recipient covenants and agrees to:

4.1 Utilize the Funding Amount solely for the purposes specified in Annex A.

4.2 Maintain a dedicated project account for the receipt and management of all Fund disbursements.

4.3 Adhere to the procurement guidelines of the Zamfara State Public Procurement Law for all procurements financed under

this Agreement.

4.4 Submit quarterly progress reports and a final project completion report in the format provided by the Fund.

4.5 Provide the Fund and its authorized representatives, including auditors, with unrestricted access to all project records, accounts, and sites for monitoring and audit purposes.

4.6 Comply with all applicable Environmental and Social Safeguard requirements as detailed in the Project's approved Environmental and Social Management Plan (ESMP).

5. OBLIGATIONS OF THE FUND

The Fund covenants and agrees to:

5.1 Disburse funds promptly upon verification of agreed milestones.

5.2 Provide technical guidance to the Recipient on the implementation of this Agreement, as required.

5.3 Respectively process reports and requests from the Recipient in a timely manner.

6. MONITORING, EVALUATION AND REPORTING

The reporting requirements are detailed in **Annex C: Reporting Framework**, which includes templates and deadlines for financial and technical reports.

7. RECOVERY TERMS (IF APPLICABLE)

7.1 This Clause is applicable only if the Funding Amount is a Recoverable Advance.

7.2 The Recipient shall repay the full principal amount of the Advance to the Fund on or before **[REPAYMENT DATE]**.

7.3 The repayment shall be made in **[NUMBER]** installments as follows: **[SCHEDULE]**.

7.4 In the event of default, the Fund reserves the right to recover the outstanding amount by deduction from any future statutory allocations due to the Recipient from the Zamfara State Government.

8. DISPUTE RESOLUTION

8.1 Any dispute arising from this Agreement shall first be attempted to be settled amicably through mutual consultation between the Parties.

8.2 Failing such resolution, the dispute shall be referred to mediation in accordance with the rules of the **[NAME OF MEDIATION BODY]**.

8.3 If mediation is unsuccessful, the dispute shall be finally settled by arbitration in Gusau, Zamfara State, in accordance with the Arbitration and Conciliation Act of Nigeria.

9. TERMINATION

Either Party may terminate this Agreement with thirty (30) days written notice if the other Party is in material breach of its obligations and fails to remedy such breach within a specified cure period.

10. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria and the statutes of Zamfara State.

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

SIGNED FOR AND ON BEHALF OF THE PROJECT FACILITATION FUND

[NAME]

Officer Administering the Fund

Date: // _____

SIGNED FOR AND ON BEHALF OF [CONTRACTING AUTHORITY NAME]

WITNESSES:

1. _____
Name:

2. _____
Name:

APPENDIX 3:

SAMPLE PROJECT FACILITATION FUND (PFF) APPLICATION FORM TEMPLATE

ZAMFARA STATE PROJECT FACILITATION FUND (PFF) APPLICATION FOR FUNDING SUPPORT

SECTION A: APPLICANT INFORMATION					
Date of Application:					
PFF Application Reference No. (For Office Use):				PFF/APP/[YEAR]/[###]	
1. Name of Contracting Authority (CA):					
2. Name of Project:					
3. Project Location (LGA and Town):					
4. Requested PFF Support Window:				<input type="checkbox"/> Window 1: Project Preparation <input type="checkbox"/> Window 3: Viability Gap Funding <input type="checkbox"/> Window 4: Contingent Liability	
5. Total Amount of Funding Requested (NGN):					
6. CA Accounting Officer Details:				Name: Title/Designation: Official Email: Phone Number:	
7. Designated Project Officer Details:				Name: Title/Designation: Official Email: Phone Number:	
SECTION B: PROJECT DETAILS AND JUSTIFICATION					
8. Brief Project Description (Max 300 words):					
9. Alignment with Zamfara State PPP Pipeline: (Confirm project is listed on the official state pipeline)				<input type="checkbox"/> Yes. Pipeline Reference ID: _____ <input type="checkbox"/> No. Application cannot proceed.	
10. Specify the precise category of support requested (Refer to PFF Manual Section 1.2.2):					
11. Justification for PFF Support (Explain why CA budget is insufficient and the catalytic role of PFF funds):					
12. Expected Project Outcomes upon completion of this funded phase:					
SECTION C: FUNDING REQUEST AND BUDGET SUMMARY					
13. Detailed Budget Breakdown (Attach full budget as separate sheet)	Item Description	Unit Cost (NGN)	Quantity	Total Cost (NGN)	Amount Requested from PFF (NGN)
	A.				
	B.				
	TOTALS			-	-
14. Source of Counterpart/Cofunding (if any):					
SECTION D: DECLARATIONS AND UNDERTAKINGS					
We, the undersigned, hereby declare that: (a) The information provided in this application is true and accurate to the best of our knowledge. (b) We have read and understood the PFF Governance and Operations Manual. (c) We undertake to comply with all Zamfara State procurement, financial, and environmental regulations. (d) We shall provide any additional information required by the PFF Secretariat for the processing of this application.					

SIGNATORIES

For and on behalf of [CONTRACTING AUTHORITY NAME]

Signature of Accounting Officer

Name:

Title:

Date:

APPENDIX 4:

SAMPLE PROJECT EVALUATION AND SCORING TEMPLATE

PFF PROJECT EVALUATION MATRIX

Project Title: _____

Evaluating Committee: PFF Steering Committee (PFF-SC)

Date of Evaluation: // _____

EVALUATION CRITERIA	Maximum Score	Score Awarded	Evaluator's Comments / Justification
A. STRATEGIC ALIGNMENT and NECESSITY (30%)			
1. Alignment with State Sectoral Priorities and CDP	10		
2. Demonstration of Market Failure / Need for PFF Catalytic Support	10		
3. Socio-Economic Impact and Benefits to Zamfara State	10		
B. PROJECT PREPARATION and VIABILITY (40%)			
4. Quality and Comprehensiveness of Feasibility Study	15		
5. Robustness of Financial Model and VfM Assessment	15		
6. Completeness of Technical and Environmental Studies (ESIAs, etc.)	10		
C. IMPLEMENTATION CAPACITY and RISK (30%)			
7. CA's Institutional Capacity and Project Team Competence	10		
8. Clarity and Realism of Work Plan and Budget	10		
9. Adequacy of Risk Identification and Mitigation Plan	10		
D. TOTAL SCORE	100		

EVALUATION OUTCOME:

Score Range	Recommendation	<input checked="" type="checkbox"/>
85 - 100	Recommend for Approval - Project is highly robust and ready for funding.	
70 - 84	Recommend for Approval, Subject to Minor Conditions - Address specific minor clarifications prior to first disbursement.	
50 - 69	Defer for Resubmission - Project has merit but requires significant strengthening in identified areas.	
Below 50	Recommend for Rejection - Project does not meet minimum PFF criteria.	

Conditions for Approval (if any):

- 1.
- 2.

Name of Lead Evaluator: _____

Signature: _____

APPENDIX 5:

SAMPLE ANNUAL REPORT TEMPLATE

**ZAMFARA STATE PROJECT FACILITATION FUND (PFF)
ANNUAL PERFORMANCE AND FINANCIAL REPORT
For the Financial Year Ended 31st December, [YEAR]**

1.0 EXECUTIVE SUMMARY

- Brief overview of the year's key achievements, financial performance, and challenges.
- Summary of development impact and outlook for the coming year.

2.0 FUND OVERVIEW AND STRATEGIC CONTEXT

- Mandate and strategic objectives of the PFF.
- Macro-economic and policy context influencing the Fund's operations during the year.

3.0 FINANCIAL PERFORMANCE

3.1 Statement of Financial Position (as at 31 Dec [YEAR])

3.2 Statement of Financial Performance (for the year ended 31 Dec [YEAR])

3.3 Analysis of Revenue and Expenditure

3.4 Budget vs. Actual Variance Analysis

4.0 OPERATIONAL PERFORMANCE AND PORTFOLIO REVIEW

4.1 Summary of Applications and Approvals

Support Window	Applications Received	Applications Approved	Total Value Approved (NGN)
Window 1: Project Preparation			
Window 3: Viability Gap Funding			
Window 4: Contingent Liability			
TOTAL			

4.2 Portfolio Status by Sector

Sector	No. of Active Projects	Total PFF Commitment (NGN)	Status Summary
Transportation			
Water and Sanitation			
Health			
Energy			
TOTAL			

4.3 Key Performance Indicator (KPI) Achievement

Key Performance Area	KPI	Annual Target	Actual Achievement	Status
Operational Efficiency	Avg. App Processing Time	60 days		
Development Impact	Value of Private Investment Leveraged	NGN 5bn		
Financial Sustainability	Recovery Rate of Advances	90%		

5.0 DEVELOPMENT IMPACT HIGHLIGHTS

- Case studies of 2-3 flagship projects supported.
- Analysis of job creation, service delivery improvements, and infrastructure gaps addressed.

6.0 GOVERNANCE, RISK, AND COMPLIANCE

- Summary of Audit and Risk Sub-Committee activities.
- Status of implementation of audit recommendations.
- Overview of anti-fraud and safeguard compliance.

7.0 CHALLENGES AND LESSONS LEARNED

- Key operational and external challenges encountered.
- Major lessons identified and how they will inform future operations.

8.0 OUTLOOK AND STRATEGIC PRIORITIES FOR [NEXT YEAR]

- Key objectives and focus areas for the upcoming financial year.
- Planned initiatives for resource mobilization and institutional strengthening.

CERTIFICATION

This Annual Report presents a true and fair view of the performance and financial position of the Zamfara State Project Facilitation Fund for the year ended 31st December, [YEAR].

[NAME]

Officer Administering the Fund (OAF)

Managing Director, ZIPA

Date: // _____