IMO STATE OF NIGERIA

PROJECT FACILITATION FUND

GOVERNANCE RULES :2025

Prepared for: The Government of Imo State

Responsible Institution: Imo State Public Private Partnerships Agency

Legal Basis: Imo State Project Facilitation Fund Regulation, 2025

First Edition

Effective Date: 2025

DOCUMENT CONTROL

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1. PURPOSE AND STATUS

1.1 Purpose

These Governance Rules establish the institutional framework for the administration, oversight and accountability of the Imo State Project Facilitation Fund ("the Fund").

The Rules are intended to ensure that decisions concerning public resources are made transparently, independently, consistently and in accordance with applicable law.

1.2 Status

These Rules shall be read together with—

1. the enabling legislation establishing or authorizing the Fund;
2. the Imo State Project Facilitation Fund Regulation, 2026;
3. the PFF Operational Manual;
4. the PFF Business and Financial Plan; and
5. applicable laws and Government policies.

Where there is an inconsistency, the applicable law and Regulation shall prevail.

2. GOVERNANCE OBJECTIVES

The governance framework shall seek to ensure that—

1. Fund resources are used for authorized purposes;
2. projects are selected on documented criteria;
3. financial and project risks are properly managed;
4. decision-making responsibilities are clearly allocated;
5. conflicts of interest are identified and managed;
6. procurement is transparent and competitive where required;
7. project performance is monitored;
8. public resources are protected;
9. Government receives appropriate reports; and
10. the Fund remains financially and institutionally sustainable.

3. GOVERNANCE PRINCIPLES

The Fund shall be governed according to the principles of—

3.1 Legality

All actions shall be undertaken within applicable legal authority.

3.2 Accountability

Decision-makers shall be accountable for decisions taken within their authority.

3.3 Transparency

Material decisions shall be supported by adequate records.

3.4 Independence

Persons with conflicts of interest shall not participate in affected decisions.

3.5 Prudence

Fund resources shall be managed with appropriate financial discipline.

3.6 Value for Money

Expenditure shall be directed towards demonstrable project-development and investment outcomes.

3.7 Risk-Based Decision-Making

The level of scrutiny shall be proportionate to the financial, technical and legal risks involved.

3.8 Development Impact

The Fund shall seek measurable economic and social benefits for Imo State.

4. INSTITUTIONAL STRUCTURE

The Fund shall operate through the following governance structure:

Executive Governor

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PFF Management Committee

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Standing Committees

- Technical Appraisal Committee
- Finance, Risk and Compliance Committee
- Investment and Transaction Committee

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PFF Secretariat

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Project Sponsors / MDAs / Advisers / Investors

The Governor may establish additional governance bodies where necessary

5. ROLE OF THE GOVERNOR

Subject to the Constitution and applicable law, the Governor shall provide overall policy direction for the Fund.

The Governor may—

1. approve the establishment of the Fund where required by law;
2. appoint members of the Management Committee where authorized;
3. approve matters reserved to the Governor;
4. approve major policy changes;
5. receive reports concerning Fund performance; and
6. exercise any other statutory power relating to the Fund.

The Governor shall not ordinarily participate in the technical appraisal of individual Projects except where approval is legally required.

6. PROJECT FACILITATION FUND MANAGEMENT COMMITTEE

6.1 Establishment

There shall be a Project Facilitation Fund Management Committee ("the Committee") responsible for strategic oversight of the Fund.

6.2 Composition

The Committee shall comprise—

1. Commissioner responsible for Finance — Chairman;
2. Head of the designated Fund Administrator/Agency — Vice-Chairman;
3. Permanent Secretary, Ministry of Finance;
4. Permanent Secretary, Ministry responsible for Economic Planning;
5. Head of PPP Unit;
6. representative of the Accountant-General;
7. representative of the State procurement/due-process authority;
8. representative of the Ministry of Justice;
9. one private-sector/investment professional;
10. one project-finance/infrastructure professional; and
11. Head of PFF Secretariat — Secretary.

The final composition shall be subject to the enabling law.

7. POWERS AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall—

1. approve the Fund's strategic direction;
2. approve the annual Fund work program;
3. approve Project-selection policies;
4. approve Projects within its authority;
5. approve funding commitments within approved limits;
6. oversee financial performance;
7. review risk reports;

8. oversee compliance;
9. review audit reports;
10. monitor project performance;
11. approve material variations;
12. ensure appropriate disclosure; and
13. report to the appropriate Government authority.

8. CHAIRMANSHIP

The Chairman shall—

1. preside over meetings;
2. approve meeting agendas;
3. ensure proper consideration of Committee papers;
4. ensure that decisions are properly recorded;
5. represent the Committee where appropriate; and
6. ensure implementation of Committee decisions.

The Chairman shall not exercise powers reserved for the full Committee except as expressly delegated.

9. SECRETARIAT

The Secretariat shall be responsible for the day-to-day administration of the Fund.

It shall—

1. maintain the Project pipeline;
2. receive applications;
3. coordinate appraisal;
4. prepare Committee papers;
5. maintain records;
6. monitor Projects;
7. prepare financial and performance reports;
8. coordinate advisers;

9. administer the Fund's information systems; and

10. perform other functions assigned by the Committee.

The Secretariat shall not approve its own Project recommendations without appropriate independent review.

10. TECHNICAL APPRAISAL COMMITTEE

10.1 Establishment

A Technical Appraisal Committee shall review the technical, economic, environmental and institutional aspects of Projects.

10.2 Functions

It shall—

1. review Project concepts;
2. assess technical feasibility;
3. review Project readiness;
4. consider environmental and social matters;
5. assess implementation capacity;
6. identify technical risks; and
7. submit recommendations to the Management Committee.

10.3 Independence

Where an external adviser has prepared an appraisal, the Technical Appraisal Committee shall independently review the material before recommendation.

11. FINANCE, RISK AND COMPLIANCE COMMITTEE

The Finance, Risk and Compliance Committee shall—

1. review the financial condition of the Fund;
2. monitor commitments and disbursements;
3. review the Fund's risk register;
4. monitor compliance;
5. review audit findings;
6. review financial forecasts;

7. recommend risk mitigants; and

8. escalate material financial or compliance risks.

12. INVESTMENT AND TRANSACTION COMMITTEE

Where the Fund supports commercially structured or PPP Projects, the Investment and Transaction Committee shall—

1. review financing structures;
2. assess investor participation;
3. review transaction strategy;
4. assess bankability;
5. review financial-close strategy;
6. consider market engagement;
7. review transaction advisers' recommendations; and
8. advise the Management Committee.

The Committee shall not override statutory procurement or approval requirements.

13. COMMITTEE MEMBERSHIP AND APPOINTMENT

13.1 Appointment

Members shall be appointed in accordance with the Regulation and applicable law.

13.2 Eligibility

Members should possess relevant experience in one or more of—

- public finance;
- infrastructure;
- investment;
- project finance;
- law;
- economics;
- accounting;

- procurement;
- engineering; or
- development finance.

13.3 Removal

An appointed member may be removed in accordance with the applicable law or appointing authority's powers.

14.1 Frequency

The Management Committee shall meet at least quarterly.

14.2 Notice

Members should receive the agenda and relevant papers sufficiently in advance of the meeting.

14.3 Quorum

Unless the Regulation provides otherwise, quorum shall be one-half of the serving members.

14.4 Emergency Decisions

Where urgent action is required, the Chairman may convene an extraordinary meeting.

Written or electronic resolutions may be used where legally permissible.

14.5 Minutes

Minutes shall record—

1. attendees;
2. declarations of interest;
3. matters considered;
4. decisions;
5. dissenting views where requested;
6. action points; and
7. responsible persons.

15. DECISION-MAKING

The Committee shall seek to reach decisions by consensus.

Where a vote is required—

1. each member shall have one vote;
2. decisions shall be by simple majority;
3. the Chairman shall have a casting vote where there is an equality of votes; and
4. a conflicted member shall not vote.

Decisions shall be supported by appropriate documentation.

16. DELEGATION OF AUTHORITY

The Committee may delegate specified functions to—

1. the Secretariat;
2. the Fund Manager;
3. a subcommittee;
4. an authorized officer; or
5. another approved institution.

A delegation shall—

- be in writing;
- identify the delegated authority;
- specify financial or operational limits;
- specify reporting requirements; and
- remain subject to oversight by the delegating body.

Delegation shall not remove ultimate accountability.

17. APPROVAL THRESHOLDS

Subject to confirmation by the enabling authority, the following framework is recommended:

Decision	Proposed Authority
Preliminary project screening	Secretariat
Technical appraisal	Technical Appraisal Committee
Projects up to ₦250 million	PFF Management Committee
Projects above ₦250m and up to ₦1 billion	Management Committee + required Government approval
Projects above ₦1 billion	Management Committee + Governor/other legally required approval
Material variation	Same or higher approval authority
Emergency expenditure	Chairman within approved limit, subject to ratification
Annual Fund Work Program	Management Committee
Annual Budget	Appropriate Government authority

Note: These monetary thresholds shall not take effect until reconciled with the applicable Imo State financial regulations, appropriation requirements, procurement thresholds and enabling legislation.

18. CONFLICT OF INTEREST

18.1 Disclosure

Every Committee member and relevant officer shall disclose any actual, potential or perceived conflict of interest.

18.2 Recusal

A conflicted person shall—

1. leave the relevant discussion where appropriate;
2. not vote;
3. not influence the decision; and
4. have the disclosure recorded in the minutes.

18.3 Related-Party Transactions

Any related-party transaction shall be subject to enhanced scrutiny and shall not be approved solely by a person who benefits from it.

19. FIDUCIARY RESPONSIBILITIES

Persons entrusted with Fund resources shall—

1. act within authority;
2. protect public resources;
3. avoid unauthorized commitments;
4. maintain proper records;
5. report irregularities; and
6. comply with applicable financial controls.

No person shall commit the Fund to expenditure beyond approved authority.

20. FINANCIAL CONTROLS

The Fund shall maintain—

1. segregation of duties;
2. authorized signatories;
3. commitment controls;
4. payment controls;
5. bank reconciliation;
6. expenditure verification;
7. asset controls;
8. financial reporting;
9. audit trails; and
10. fraud-prevention mechanisms.

No officer shall initiate, approve and independently certify the same expenditure without an approved exception and compensating control.

21. RISK GOVERNANCE

21.1 Risk Appetite

The Committee shall establish the Fund's risk appetite annually.

21.2 Risk Categories

The Fund shall monitor—

- financial;
- legal;
- technical;
- operational;
- market;
- environmental/social;
- procurement;
- reputational;
- institutional; and
- fiscal risks.

21.3 Escalation

A material risk shall be escalated to the Committee where it—

1. threatens Project viability;
2. may result in material loss;
3. may expose the State to significant liability;
4. involves suspected fraud; or
5. materially affects public confidence.

22. PROCUREMENT GOVERNANCE

All procurement shall comply with applicable procurement law.

The Fund shall maintain clear separation between—

1. Project appraisal;
2. procurement planning;
3. procurement execution;

4. contract administration; and

5. payment certification.

Advisers shall be selected through transparent procedures appropriate to the nature and value of the engagement.

23. PROJECT APPROVAL GOVERNANCE

No Project shall proceed to funding approval unless the relevant appraisal documentation is complete.

The approval paper shall identify—

1. the Project Sponsor;
2. amount requested;
3. proposed funding instrument;
4. appraisal outcome;
5. risks;
6. mitigants;
7. expected outcomes;
8. funding conditions; and
9. recommended approval authority.

24. DISBURSEMENT GOVERNANCE

Disbursement shall occur only where—

1. the Project has been approved;
2. a Funding Agreement is executed;
3. conditions precedent have been satisfied;
4. expenditure is eligible;
5. milestones have been verified where applicable; and
6. required approvals have been obtained.

The Secretariat shall maintain a central Disbursement Register.

25. PROJECT MONITORING

Each funded Project shall have an assigned Project Officer.

The Project Officer shall monitor—

1. physical progress;
2. financial progress;
3. milestone achievement;
4. expenditure;
5. risks;
6. procurement;
7. compliance; and
8. expected outcomes.

Material deviations shall be escalated.

26. VARIATIONS AND AMENDMENTS

A Project variation requiring additional funding, extension of time or material change in scope shall require approval.

Variations shall be assessed for—

- cost;
- benefits;
- risk;
- legal implications;
- procurement implications; and
- impact on value for money.

A variation shall not be used to circumvent approval or procurement requirements.

27. DEFAULT AND REMEDIAL ACTION

Where a Project Sponsor defaults, the Secretariat shall notify the Sponsor and recommend appropriate action.

Available measures include—

1. corrective-action plan;
2. suspension;
3. withholding of disbursement;
4. restructuring;
5. termination;
6. recovery; and
7. referral to appropriate authorities.

28. AUDIT AND ASSURANCE

The Fund shall maintain independent assurance through—

1. internal controls;
2. internal audit;
3. external audit;
4. project-level verification where necessary; and
5. periodic governance reviews.

Audit findings shall be presented to the appropriate Committee.

Management shall provide documented responses and corrective-action plans.

29. ANTI-CORRUPTION AND INTEGRITY

The Fund shall maintain appropriate controls against—

1. bribery;
2. corruption;
3. fraud;
4. collusion;
5. money laundering;
6. false claims;
7. procurement manipulation; and
8. misuse of Fund resources.

Suspected serious misconduct shall be referred to the appropriate authority.

30. TRANSPARENCY AND DISCLOSURE

Subject to applicable confidentiality requirements, the Fund shall disclose appropriate information concerning—

1. approved Projects;
2. Project sectors;
3. approved funding;
4. Project status;
5. major disbursements;
6. annual financial performance; and
7. development outcomes.

Commercially sensitive information shall be protected where disclosure would prejudice a legitimate transaction or breach applicable law.

31. RECORDS AND INFORMATION

The Secretariat shall maintain a secure governance repository containing—

1. Committee papers;
2. minutes;
3. approvals;
4. declarations of interest;
5. Project files;
6. Funding Agreements;
7. financial records;
8. audit reports;
9. risk registers; and
10. performance reports.

Records shall be retained in accordance with applicable law and approved records-management policy.

32. COMPLAINTS AND WHISTLEBLOWING

The Fund shall establish confidential channels for reporting—

- suspected fraud;
- corruption;
- procurement irregularities;
- conflict of interest;
- misuse of Fund resources; and
- other serious misconduct.

Reports shall be handled fairly and confidentially.

Retaliation against a person who makes a good-faith report shall not be permitted.

33. PERFORMANCE MANAGEMENT

The Committee shall establish annual performance objectives for the Fund.

Performance shall be assessed against—

1. project pipeline development;
2. quality of project preparation;
3. funding mobilization;
4. private capital mobilization;
5. financial close;
6. development outcomes;
7. cost efficiency;
8. compliance; and
9. governance effectiveness.

Performance reporting shall distinguish between—

- outputs;
- outcomes; and
- longer-term impacts.

34. REPORTING TO GOVERNMENT

The Fund shall provide reports as required by law and Government policy.

At minimum, the Committee shall receive—

Quarterly Report

Containing—

- financial position;
- project pipeline;
- approvals;
- disbursements;
- risks;
- compliance;
- investor engagement; and

- matters requiring Government attention.

Annual Report

Containing—

1. audited financial information;
2. project performance;
3. Fund performance;
4. risks;
5. governance activities;
6. audit findings;
7. development outcomes; and
8. recommendations for the following year.

35. GOVERNANCE REVIEW

The Committee shall conduct an annual governance self-assessment.

The review shall consider—

1. Committee effectiveness;
2. quality of information;
3. decision-making;
4. conflicts of interest;
5. risk management;
6. audit findings;
7. compliance;
8. stakeholder engagement; and
9. implementation of previous recommendations.

An independent governance review may be commissioned periodically.

36. BREACH OF GOVERNANCE RULES

A material breach of these Rules shall be reported to the appropriate authority.

Depending on the nature of the breach, corrective action may include—

1. additional supervision;
2. withdrawal of delegated authority;
3. disciplinary action;
4. recovery of funds;
5. termination of an engagement; or
6. referral to a competent authority.

37. TRANSITIONAL PROVISIONS

Upon commencement of these Rules, existing Fund-related arrangements shall be reviewed and aligned with this governance framework within 90 days, subject to applicable law.

Existing Projects shall not be automatically terminated solely because they pre-date these Rules.

38. EFFECTIVE DATE

These Governance Rules shall take effect on the date approved by the appropriate authority and shall remain in force until amended or replaced.

SCHEDULE 1

GOVERNANCE STRUCTURE

Institution	Primary Responsibility
Governor	Policy direction and reserved approvals
PFF Management Committee	Strategic oversight and project/funding decisions
Technical Appraisal Committee	Technical and development appraisal
Finance, Risk & Compliance Committee	Financial and risk oversight
Investment & Transaction Committee	Commercial/PPP transaction oversight
Secretariat	Day-to-day administration
Project Sponsor	Project implementation
Auditor	Independent assurance

SCHEDULE 2

DELEGATION AND APPROVAL MATRIX

Matter	Secretariat	Subcommittee	PFF Committee	Governor/Other Authority
Preliminary screening	✓			
Technical appraisal		✓		
Project recommendation		✓	✓	
Project approval			✓	Where legally required
Major funding commitment			✓	Where legally required
Material variation		Recommendation	✓	Where legally required
Annual work program		Recommendation	✓	Where legally required
Major policy change		Recommendation	✓	
Annual reporting	Preparation	Review	Approval	Receive

Note: Monetary thresholds shall be inserted after confirmation of the applicable Imo State financial and procurement framework.

SCHEDULE 3

COMMITTEE TERMS OF REFERENCE

A. Management Committee

Purpose

To provide strategic oversight and approve Projects and funding within its lawful authority.

Key Responsibilities

1. Strategic oversight.
2. Project approval.
3. Financial oversight. establish the Fund's proposed capitalization, annual contributions, revolving/recoverable funding model, administrative-cost ceiling, project funding limits, five-year cash-flow projections, sustainability mechanism, and KPIs.
4. Risk oversight.
5. Compliance.
6. Audit.
7. Performance.

B. Technical Appraisal Committee

Purpose

To independently assess Project quality and readiness.

Key Responsibilities

1. Technical feasibility.
2. Economic analysis.
3. Environmental/social assessment.
4. Institutional capacity.
5. Implementation risk.

C. Finance, Risk and Compliance Committee

Purpose

To oversee the financial integrity and risk profile of the Fund.

Key Responsibilities

1. Financial performance.
2. Budget.
3. Commitments.
4. Risk.
5. Compliance.
6. Audit.

D. Investment and Transaction Committee

Purpose

To support the development of commercially viable and investment-ready Projects.

Key Responsibilities

1. Financing structures.
2. Investor engagement.
3. Transaction strategy.
4. Bankability.
5. Financial close.

SCHEDULE 4

CONFLICT-OF-INTEREST DECLARATION

I, ____, declare that in relation to the matter/project described below:

Project: ____

[ ] I have no actual, potential or perceived conflict of interest.

[ ] I have the following conflict:

____

I undertake to comply with the Fund's conflict-of-interest requirements and to recuse myself where required.

Name: ____

Position: ____

Signature: ______________________________________

Date: ____

____

SCHEDULE 5

RESERVED MATTERS

The following matters shall not be delegated except where expressly permitted by law:

1. Amendment of the Fund's legal framework.
2. Approval of the annual strategic plan.
3. Approval of the annual Fund work program.
4. Approval of material changes to the Fund's financing model.
5. Approval of major Projects above the applicable threshold.
6. Approval of material variations.
7. Approval of major related-party transactions.
8. Suspension or termination of major Projects.
9. Appointment or removal of Committee members where reserved by law.
10. Matters expressly reserved to the Governor or another statutory authority.

SCHEDULE 6

ANNUAL GOVERNANCE CALENDAR

Period	Governance Activity
January	Annual work program and budget review
February	Project pipeline review
March	Q1 governance review
April	Risk and compliance review
May	Investor/project pipeline review
June	Q2 performance review
July	Mid-year strategy review
August	Project portfolio review
September	Q3 governance review
October	Next-year work program preparation
November	Budget and risk review
December	Annual performance and governance review

APPROVAL PAGE

These Governance Rules are approved for implementation subject to compliance with the enabling legislation and the Imo State Project Facilitation Fund Regulation, 2026.

APPROVED BY
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