IMO STATE OF NIGERIA

PROJECT FACILITATION FUND REGULATION, 2025

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PART I — PRELIMINARY

A) . Short Title and Commencement

1. These Regulations may be cited as the **Imo State Project Facilitation Fund Regulation, 2025**. This Regulation is made pursuant to the provisions of Imo State Public Private Partnership Law 2018, Imo State Investment Promotion Law 2010, Fiscal Responsibility Act 2016, and Imo State Public Procurement Law 2010. Project-development fund, project-preparation arrangement or similar mechanism established by the State before the commencement of these Regulations may, where appropriate, be transferred to or integrated into the Fund subject to the approval

These Regulations shall come into force on the date of approval by **the Executive Governor of Imo State**, subject to any further requirement for publication or legislative approval applicable under the laws of Imo State.

2. Application

These Regulations shall apply to the establishment, administration, financing, operation, monitoring and reporting of the Imo State Project Facilitation Fund, hereinafter referred to as "the Fund".

3. Interpretation

In these Regulations, unless the context otherwise requires—

"**Office**" means the **Office of Imo Public Private Partnerships** established under the Imo State Public Private Partnership Law, 2018;

"**Applican**t" means any public institution, private sector entity, investor, project sponsor, special purpose vehicle or other eligible entity applying for support from the Fund;

"**Committee**" means the Project Facilitation Fund Management Committee established under regulation 8;

"**Executive Governor**" means the Governor of Imo State;

"Fund" means the Imo State Project Facilitation Fund established under regulation 4;

"**Fund Manager**" means the person or institution appointed to manage the financial operations of the Fund;

"**MDA"** means any Ministry, Department or Agency of the Imo State Government;

"**Projec**t" means an infrastructure, investment, public-private partnership, economic development or other approved project eligible for support under these Regulations;

"Project Facilitation" means activities undertaken to develop, structure, appraise, de-risk, finance or otherwise prepare a project for implementation or investment;

"Project Sponsor" means the entity responsible for developing or implementing an approved project;

"**State**" means Imo State of Nigeria;

"**State Government**" means the Government of Imo State;

"**Special Purpose Vehicle" or "SPV"** means a company or other legal entity established for the purpose of implementing a particular project; and

"**Secretary**" means the Secretary to the Fund Management Committee.

PART II — ESTABLISHMENT, OBJECTIVES AND FUNCTIONS OF THE FUND

4. Establishment of the Project Facilitation Fund

1. There is hereby established a fund to be known as the Imo State Project Facilitation Fund.

2. The Fund shall be administered in accordance with these Regulations and other applicable laws of Imo State and the Federal Republic of Nigeria.

3. The Fund shall operate as a dedicated mechanism for supporting the preparation and facilitation of viable projects capable of delivering economic, social and infrastructure benefits to Imo State.

5. **Objectives of the Fund**

The objectives of the Fund shall be to—

a. Develop a pipeline of bankable and investment-ready projects in Imo State;

b. Address the financing gap associated with project preparation and development;

c. Facilitate private sector participation in infrastructure and economic development;

d. Improve the quality and bankability of State-sponsored projects;

e. Support the preparation of feasibility studies, business cases, transaction documents and financial models;

f. Facilitate Public-Private Partnerships and other appropriate investment structures;

g. Mobilize domestic and international private capital for projects in the State;

h. Improve the State's investment environment; and

i. Promote sustainable and inclusive economic development.

6. Functions of the Fund

The Fund may provide financial or technical support for—

a. Feasibility studies;

b. Technical, legal, financial and environmental due diligence;

c. Project structuring;

d. Transaction advisory services;

e. Preparation of business cases;

f. Financial modelling;

g. Environmental and social assessments;

h. Project development studies;

i. Procurement and transaction preparation;

j. Investor engagement and transaction support;

k. Preparation of PPP documentation;

l. Development of Special Purpose Vehicles;

m. Project monitoring and evaluation; and

n. Such other project-development activities as may be approved by the Committee.

7. Principles Governing the Fund

The Fund shall be administered according to the principles of—

a. Transparency;

b. Accountability;

c. Value for money;

d. Financial sustainability;

e. Competitive neutrality;

f. Due process;

g. Prudent financial management;

h. Environmental and social responsibility;

i. Risk management; and

j. Compliance with applicable procurement and public-finance laws.

PART III — GOVERNANCE OF THE FUND

8. Fund Management Committee

There is hereby established a Project Facilitation Fund Management Committee responsible for providing strategic oversight of the Fund.

9. Composition of the Committee

The Committee shall comprise—

a. The Commissioner, Ministry for Finance — Chairman;

b. The Director-General of PPP— Vice-Chairman;

c. The Permanent Secretary of the Ministry for Finance;

d. The Permanent Secretary of the Ministry of Budget, Economic Planning and Statistics

e. The DG ISIPA;

f. A representative of the Office of the Accountant-General of the State;

g. A representative of the State Due Process/ Bureau of Procurement;

h. A representative of the Ministry responsible for Justice;

i. One representative of the private sector appointed by the Governor;

j. One financial or investment expert appointed by the Governor; and

k. The Head of the PFF Secretariat — Secretary.

The Governor may approve additional members where necessary.

10. Functions and Powers of the Committee

The Committee shall—

a. Provide strategic direction for the Fund;

b. Approve eligible projects for funding;

c. Approve funding limits and disbursement schedules;

d. Ensure that projects comply with applicable laws;

e. Review project appraisal reports;

f. Monitor the performance of the Fund;

g. Approve the annual work program of the Fund;

h. Ensure appropriate risk-management mechanisms;

i. Review financial and audit reports;

j. Ensure transparency in Fund operations; and

k. Perform such other functions as may be necessary to achieve the objectives of the Fund.

11. Tenure and Removal of Members

1. An appointed member of the Committee shall hold office for a period of three years and may be reappointed for one further term.

2. A member may resign by giving written notice to the appointing authority.

3. The Governor may remove an appointed member for misconduct, conflict of interest, incapacity or other sufficient cause.

12. Meetings of the Committee

1. The Committee shall meet at least once every quarter.

2. The Chairman may convene an extraordinary meeting whenever necessary.

3. The quorum shall be one-half of the members of the Committee.

4. Decisions shall, as far as practicable, be reached by consensus and, where voting is necessary, by a simple majority of members present.

13. Conflict of Interest

1. A member who has a direct or indirect interest in a project under consideration shall disclose that interest.

2. Such member shall not participate in the deliberation or decision relating to the project.

3. The disclosure shall be recorded in the minutes of the meeting.

14. Secretariat of the Fund

1. The Agency shall establish a Project Facilitation Fund Secretariat.

2. The Secretariat shall—

a. Receive applications;

b. Conduct preliminary assessments;

c. Coordinate project appraisal;

d. Maintain project records;

e. Prepare reports for the Committee;

f. Monitor funded projects; and

g. Perform other administrative functions assigned by the Committee.

The use of Office of Public Private Partnership as the institutional home is consistent with its statutory investment-promotion mandate and the State's existing PPP structure. A Axxpoint+1

PART IV — SOURCES AND MANAGEMENT OF FUND RESOURCES

15. Sources of the Fund

The Fund shall consist of—

a. Appropriations made by the Imo State House of Assembly;

b. Contributions or grants from the Federal Government;

c. Grants from development partners and international organisations;

d. Contributions from private investors and development-finance institutions;

e. Donations and lawful contributions;

f. Investment income;

g. Fees and charges approved under these Regulations;

h. Recoveries from funded projects; and

i. Such other lawful sources as may be approved by the Government.

16. Fund Accounts

1. The Fund shall maintain dedicated bank accounts with a reputable financial institution approved by the State Government.

2. The accounts shall be operated in accordance with applicable public-financial-management requirements.

3. All receipts and payments shall be properly documented and accounted for.

17. Permitted Uses of the Fund

The Fund shall be used exclusively for eligible project-development and facilitation activities approved under these Regulations.

18. Prohibited Uses

The Fund shall not be used for—

a. Personal expenditure;

b. Political activities;

c. Recurrent expenditure unrelated to project facilitation;

d. Financing projects that have not undergone the required appraisal;

e. Financing unlawful activities; or

f. Any purpose inconsistent with these Regulations.

19. Investment of Idle Funds

Pending disbursement, surplus funds may be invested only in secure and legally permissible financial instruments approved by the appropriate State financial authority.

20. Financial Controls

The Fund shall operate appropriate internal controls, segregation of duties, approval thresholds, procurement procedures, accounting procedures and audit mechanisms.

PART V — PROJECT IDENTIFICATION, APPLICATION AND APPROVAL

21. Eligible Projects

A Project may qualify for Fund support where it—

a. Is located wholly or substantially in Imo State;

b. Contributes to economic development or public infrastructure;

c. Has potential for sustainable financial or economic returns;

d. Has a clearly identifiable project sponsor;

e. Is technically feasible or capable of being developed into a technically feasible project;

f. Complies with applicable environmental and social requirements; and

g. Falls within a priority sector approved by the State Government.

Priority sectors may include—

- transport and logistics;
- power and renewable energy;
- water and sanitation;
- agriculture and agro-processing;
- healthcare;
- education;
- housing and urban development;
- industrial parks;
- tourism;
- digital infrastructure;
- waste management;
- technology; and
- other sectors approved by the Committee.

22. Eligibility of Project Sponsors

Eligible applicants may include—

a. Ministries, Departments and Agencies;

b. Local government authorities where permitted by law;

c. Private companies;

d. Investors;

e. Special Purpose Vehicles;

f. Development-finance institutions;

g. Public-private partnership consortiums; and

h. Other legally recognized entities approved by the Committee.

23. Project Application

An application shall contain—

a. project concept;

b. project objectives;

c. estimated project cost;

d. proposed financing structure;

e. implementation plan;

f. evidence of the applicant's legal status;

g. preliminary feasibility information;

h. environmental and social information where applicable;

i. evidence of available counterpart funding where required; and

j. any other information prescribed by the Secretariat.

24. Project Appraisal

The Secretariat shall conduct or procure appropriate appraisal covering—

a. technical feasibility;

b. financial viability;

c. economic benefits;

d. legal and regulatory requirements;

e. environmental and social risks;

f. land requirements;

g. procurement considerations;

h. fiscal implications;

i. risk allocation;

j. private-sector participation potential; and

k. sustainability and value for money.

25. Project Selection Criteria

In considering an application, the Committee shall take into account—

a. alignment with State development priorities;

b. economic impact;

c. employment potential;

d. social benefits;

e. project readiness;

f. private-sector investment potential;

g. financial sustainability;

h. risk profile;

i. value for money; and

j. likelihood of successful implementation.

26. Approval of Projects

1. No project shall receive funding without approval in accordance with the Fund's approved governance framework.

2. The Committee may approve an application, approve it subject to conditions, defer it pending additional information, or reject it.

3. Approval shall not constitute a guarantee by the State of the project's commercial success.

27. Funding Agreement

Before disbursement, the Fund and the Project Sponsor shall execute a written Funding Agreement specifying—

a. project description;

b. approved funding;

c. eligible expenditure;

d. disbursement conditions;

e. milestones;

f. reporting obligations;

g. audit rights;

h. procurement requirements;

i. environmental and social obligations;

j. default provisions;

k. recovery mechanisms; and

l. dispute-resolution provisions.

28. Disbursement of Funds

1. Funds shall be disbursed according to approved milestones.

2. Disbursement may be—

a. advance-based;

b. milestone-based;

c. reimbursement-based; or

d. a combination of the above.

3. No disbursement shall be made unless the conditions specified in the Funding Agreement have been satisfied.

PART VI — MONITORING, REPORTING AND SAFEGUARDS

29. Monitoring and Evaluation

The Secretariat shall establish a monitoring and evaluation framework to—

a. track project progress;

b. measure outputs and outcomes;

c. monitor expenditure;

d. identifies implementation risks;

e. assess value for money; and

f. document lessons for future projects.

30. Reporting Requirements

The Secretariat shall prepare—

a. quarterly operational reports;

b. quarterly financial reports;

c. annual performance reports; and

d. such special reports as may be required by the Committee or the Governor.

31. Environmental and Social Safeguards

Every project supported by the Fund shall comply with applicable Federal and Imo State environmental and social laws, regulations and standards.

Where applicable, the Project Sponsor shall undertake environmental and social impact assessments before implementation.

32. Risk Management

The Fund shall maintain a risk-management framework covering—

a. financial risk;

b. project-development risk;

c. legal risk;

d. environmental and social risk;

e. procurement risk;

f. reputational risk; and

g. operational risk.

33. Anti-Corruption and Fiduciary Requirements

19. Investment of Idle Funds

PART V — PROJECT IDENTIFICATION, APPLICATION AND APPROVAL

1. All Fund operations shall comply with applicable anti-corruption, procurement, financial-management and public-accountability laws.

2. The Committee may require due diligence on any Project Sponsor, consultant, investor or contractor.

3. No person shall receive Fund resources through fraudulent or corrupt means.

34. Audit

1. The Fund shall be subject to periodic internal and external audit.

2. The Auditor-General of Imo State or an auditor appointed in accordance with applicable law shall have access to the books, records and documents of the Fund.

PART VII — RECOVERY, DEFAULT AND SANCTIONS

35. Default

A Project Sponsor shall be in default where it—

a. materially breaches the Funding Agreement;

b. provides false or misleading information;

c. uses Fund resources for an unauthorized purpose;

d. fails to meet agreed milestones without reasonable justification; or

e. becomes insolvent or otherwise unable to implement the project.

36. Suspension or Withdrawal of Funding

Where a Project Sponsor is in default, the Committee may—

a. suspend further disbursement;

b. require corrective measures;

c. vary the funding conditions;

d. terminate the Funding Agreement; or

e. take any other lawful action available under the agreement.

37**. Recovery of Funds**

Where funds have been misapplied or obtained through fraud, misrepresentation or breach of the Funding Agreement, the Fund may recover the affected amount together with applicable costs and interest where provided by the agreement or law.

38**. Fraudulent Applications and Misrepresentation**

Any applicant who knowingly submits materially false information shall—

a. have its application rejected or funding terminated;

b. be required to refund any improperly obtained funds; and

c. be referred to the appropriate authorities where the conduct constitutes an offence.

PART VIII — TRANSPARENCY, DISCLOSURE AND ACCOUNTABILITY

39. Disclosure of Fund Activities

Subject to applicable confidentiality and commercial-sensitivity requirements, the Fund shall publish information concerning—

a. approved projects;

b. project sectors;

c. approved funding;

d. project status;

e. disbursements; and

f. annual Fund performance.

40. Register of Funded Projects

The Secretariat shall maintain an electronic Project Facilitation Fund Register containing relevant information on all approved projects.

41. Public Access to Information

Information relating to the Fund shall be made available to the public in accordance with applicable access-to-information, confidentiality and public-finance laws.

PART IX — MISCELLANEOUS

42. Guidelines and Operational Manual

The Committee may develop and approve a Project Facilitation Fund Governance and Operational Manual setting out detailed procedures for—

a. application;

b. appraisal;

c. approval;

d. procurement;

e. disbursement;

f. monitoring;

g. reporting;

h. risk management; and

i. recovery.

43. Power to Issue Directives

The Commissioner responsible for Finance may, upon the recommendation of the Committee, issue administrative directives necessary for the effective implementation of these Regulations, provided that such directives are consistent with these Regulations and applicable law.

44. Review of the Regulation

These Regulations shall be reviewed periodically and, in any event, not later than three years after commencement or whenever significant changes in the State's project-financing framework require such review.

45. Transitional Provisions

Any project-development fund, project-preparation arrangement or similar mechanism established by the State before the commencement of these Regulations may, where appropriate, be transferred to or integrated into the Fund subject to the approval of the Executive Governor and compliance with applicable law.

46. Interpretation

Where any question arises concerning the interpretation of these Regulations, the Committee may refer the matter to the Honorable Attorney-General and Commissioner for Justice for legal advice.

47. Citation

These Regulations may be cited as the Imo State Project Facilitation Fund Regulation, 2025.

SCHEDULE

FUND GOVERNANCE AND APPROVAL FRAMEWORK

Stage	Responsible Institution	Principal Function
1	Project Sponsor/MDA	Project concept and application
2	PFF Secretariat	Preliminary screening
3	Technical/Professional Advisers	Due diligence and appraisal
4	PFF Secretariat	Preparation of appraisal report
5	Fund Management Committee	Review and approval
6	Ministry of Finance/Fund Manager	Funding and financial arrangements
7	Project Sponsor	Implementation
8	PFF Secretariat	Monitoring and reporting
9	External/Internal Auditor	Audit and assurance
10	Fund Management Committee	Performance review

APPROVAL PAGE

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