



**CROSS RIVER STATE
GOVERNMENT**

**PROJECT FACILITATION FUND
(PFF)**

**GOVERNANCE RULES,
OPERATIONAL MANUAL, PROCESS
FLOWS**

**AND STANDARD OPERATING
PROCEDURES (SOPs)**

EXECUTIVE SUMMARY

The Cross River State Project Facilitation Fund (PFF) is established as a special-purpose fiscal and project preparation instrument to support the development, structuring, and implementation of bankable Public Private Partnership (PPP) projects in a fiscally responsible manner.

This Manual provides:

- A robust governance and institutional framework;
- IMF-aligned fiscal risk management and controls;
- Full compliance with the Nigeria Fiscal Responsibility Act (2007);
- Alignment with Debt Management Office (DMO) templates for PPP-related fiscal risks;
- Detailed process flows and implementation maps;
- Standard Operating Procedures (SOPs) for all key PFF processes.

SECTION 1: INTRODUCTION

1.1 Purpose and Scope

This Manual establishes the legal, governance, operational, fiscal risk, and control framework for the Cross River State Project Facilitation Fund (PFF).

It applies to:

- Fund Management Committee (FMC)
- PFF Secretariat
- Ministry of Finance (MoF)
- Office of the Accountant-General of the State (OAGS)
- Bureau of Public Private Partnership (BPPP) / PPP Council
- State Internal Revenue Service (IRS)
- Office of the Auditor-General of the State (OAuGS)
- Project proponents, consultants, and advisors

1.2 Objectives

The objectives of the Manual are to:

1. Ensure transparent, accountable, and value-for-money use of PFF resources;
2. Prevent the creation of unapproved fiscal and contingent liabilities;
3. Align PPP preparation with state fiscal sustainability limits;
4. Strengthen institutional coordination and risk ownership;
5. Provide clear procedures for project preparation, funding, monitoring, and reporting.

1.3 Legal and Policy Alignment

The PFF operates in compliance with:

- Nigeria Fiscal Responsibility Act (FRA), 2007
- State PPP and Public Procurement Laws
- IMF Public Investment Management Assessment (PIMA) principles
- IMF Fiscal Risk Register methodology
- DMO PPP fiscal risk and contingent liability templates

SECTION 2: FUND OVERVIEW

2.1 Objective of the Fund

The PFF finances early-stage PPP project preparation to:

- Improve project bankability;
- Reduce transaction and policy risk;
- Attract private capital;
- Safeguard public finances.

2.2 Functions of the Fund

Function	Description
Project Preparation	Feasibility studies, business cases
Transaction Advisory	Legal, financial, technical structuring
Risk Mitigation	Early identification of fiscal and demand risks
Capacity Building	Training and institutional strengthening

2.3 Sources of Funds

- State budget appropriations
- Donor or grant funding (on-budget)
- PPP transaction success fees
- Recoveries from repayable PFF support

All funds are subject to TSA and treasury controls.

2.4 Eligible Projects and Entities

Eligible projects must:

- Be within Cross River State jurisdiction;
- Align with State development plans such as the State Growth & Development Strategy (GDS, 2018 – 2048);
- Receive preliminary PPP Council clearance.

Eligible entities must demonstrate:

- Legal capacity;
- Tax compliance (verified by State Internal Revenue Service);
- No unresolved audit issues.

SECTION 3: GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS

3.1 Fund Management Committee (FMC)

Composition

- Commissioner for Finance (Chair)
- Accountant-General of the State
- Director-General, BPPP / PPP Council
- Representative of Ministry of Justice
- Chairman, State IRS
- Independent Private Sector Expert

Responsibilities

- Approve funding and disbursements;
- Oversee fiscal risk management;
- Maintain PFF Risk Register;
- Ensure FRA and DMO compliance.

3.2 PFF Secretariat

The Secretariat serves as the operational and technical arm of the PFF and acts as the first line of fiscal and operational risk control.

SECTION 4: FISCAL DISCIPLINE AND RISK MANAGEMENT FRAMEWORK

4.1 Fiscal Responsibility Act (FRA) Alignment

The PFF:

- Does not authorize borrowing;
- Does not issue guarantees;
- Requires affordability and fiscal risk analysis before funding approval;
- Reports contingent liabilities through MoF systems.

4.2 IMF-Aligned Risk Categories

- Fiscal risk
- Contingent liability risk

- Legal and regulatory risk
- Demand and revenue risk
- Governance and corruption risk

Each risk is:

- Identified ex ante;
- Assigned an institutional owner;
- Tracked in the PFF Risk Register.

SECTION 5: END-TO-END PROCESS FLOWS

5.1 PFF Lifecycle Overview

1. Project Intake & Screening
2. Fiscal and Risk Assessment
3. FMC Approval & Contracting
4. Disbursement & Monitoring
5. Completion, Audit & Learning

Each stage includes a mandatory decision gate.

SECTION 6: STANDARD OPERATING PROCEDURES (SOPs)

SOP 1: PROJECT INTAKE AND INITIAL SCREENING

Objective:

Ensure only eligible and strategic projects enter the PFF pipeline.

Responsible Unit:

PFF Secretariat, BPPP

Procedure

Step	Activity	Output
1	Receive application (Appendix 3)	Logged application
2	Check completeness	Screening checklist
3	Verify eligibility	Eligibility memo

Step	Activity	Output
4	Strategic fit review	Alignment note
5	Preliminary risk flagging	Risk note
6	Intake decision	Proceed / Reject

Control:

Projects failing eligibility or strategic fit are formally rejected and documented.

SOP 2: FISCAL AFFORDABILITY AND RISK ASSESSMENT

Objective:

Prevent unaffordable commitments and hidden liabilities.

Responsible Units:

MoF, Accountant-General, IRS, BPPP

Procedure

Step	Activity	Output
1	Fiscal affordability analysis	Affordability memo
2	Contingent liability mapping	Risk exposure table
3	Revenue impact review	IRS validation
4	Accounting classification	IPSAS memo
5	Update risk register	Revised register
6	Issue Fiscal Risk Clearance	Clearance certificate

Control:

No project advances without a signed clearance certificate.

SOP 3: FMC APPROVAL AND CONTRACTING

Objective:

Ensure collective, transparent decision-making.

Procedure

Step	Activity	Output
1	Prepare FMC submission	FMC paper
2	FMC deliberation	Resolution
3	Approval or conditions	Approval letter
4	Draft funding agreement	Draft contract
5	Legal vetting	Cleared agreement
6	Contract execution	Signed agreement

SOP 4: DISBURSEMENT AND FINANCIAL CONTROL

Objective:

Ensure cash discipline and milestone-based payments.

Procedure

Step	Activity	Output
1	Verify milestone completion	Verification report
2	Submit disbursement request	Payment request
3	FMC approval	Approval minute
4	Treasury authorization	Payment mandate
5	TSA transfer	Bank advice
6	Ledger update	Updated records

SOP 5: MONITORING, REPORTING, AND RISK UPDATES

Objective:

Track performance, compliance, and emerging risks.

Procedure

Activity	Frequency	Output
Progress monitoring	Monthly	Status report
Risk register update	Quarterly	Updated risk profile
FMC reporting	Quarterly	Dashboard

Activity	Frequency	Output
Public disclosure	Annually	Published report

SOP 6: PROJECT COMPLETION, AUDIT, AND LEARNING

Objective:

Ensure accountability and institutional learning.

Procedure

Step	Activity	Output
1	Completion review	Completion report
2	Financial reconciliation	Reconciliation statement
3	Independent audit	Audit opinion
4	Lessons learned	Evaluation note
5	Record archiving	Archived files

SECTION 7: IMPLEMENTATION MAPS

7.1 Institutional Responsibility Map

Institution	Policy	Approval	Control	Oversight
Executive Council	✓	—	—	✓
MoF	✓	✓	✓	✓
Accountant-General	—	—	✓	✓
BPPP / PPP Council	✓	✓	✓	—
Auditor-General	—	—	—	✓

7.2 Risk Ownership Map

Risk	Primary Owner	Reporting
Fiscal	MoF	FMC
Contingent Liability	MoF / DMO Desk	ExCo
Legal	Ministry of Justice	FMC

Risk	Primary Owner	Reporting
Revenue	State IRS	FMC
Governance	FMC Chair	Assembly

CONCLUSION

This Manual showcases Cross River State operationally executable Project Facilitation Fund framework. It moves seamlessly from policy intent to day-to-day execution, with clear controls, accountability, and learning mechanisms.

ANNEXES AND APPENDICES

ANNEX 1: PFF RISK REGISTER

Risk	Likelihood	Impact	Owner	Mitigation
Fiscal	Medium	High	MoF	Caps, approvals
Legal	Low	High	MoJ	Standard contracts
Demand	Medium	Medium	IRS	Independent review

APPENDIX 1: TOR – PFF SECRETARIAT

TERMS OF REFERENCE (ToR)

SECRETARIAT – PPP PROJECT FACILITATION FUND (PFF)

Cross River State

1. BACKGROUND AND CONTEXT

1.1. The PPP Facilitation Fund (PFF)

The Project Facilitation Fund (PFF) is envisaged as a dedicated financing mechanism to support preparation, structuring and facilitation of bankable PPP projects in Cross River State. It is designed to address early-stage project development costs (feasibility, market studies, legal and financial structuring, transaction advisory, etc.), improve project quality and attract private investment, in line with international best practice on PPP project preparation and facilitation funding.

1.2. Legal and Policy Framework

This Secretariat is established under the authority of the Cross River State Public-Private Partnership Law No. 6 of 2010 ("CRS PPP Law"), which provides the legal basis for PPP project development and emphasizes transparent, competitive and value-for-money approaches to PPP procurement and implementation.

1.3. Rationale

Many high-impact infrastructure and service delivery opportunities do not reach procurement or financial close due to inadequate early preparation. A dedicated Secretariat ensures the PFF is managed professionally, transparently, and in alignment with public financial management, PPP policy and investor expectations.

2. OBJECTIVES

The primary objective of the Secretariat is to manage the Project Facilitation Fund on behalf of the Government, ensuring efficient, transparent and accountable allocation of resources for project preparation and facilitation, and enabling the development of bankable PPP projects that deliver economic and social benefits to Cross River State.

Specific objectives include:

1. Establish and operationalize governance, procedures and standards for use of the Fund.
2. Screen and appraise project preparation requests for eligibility and alignment with state strategic priorities.
3. Disburse and account for PFF resources in line with approved guidelines and fiscal safeguards.
4. Monitor and evaluate project facilitation outcomes and provide periodic reporting to stakeholders.
5. Enhance capacities of relevant government agencies and stakeholders for effective PPP project preparation.

3. FUNCTIONS AND SCOPE

The Secretariat shall perform the following core functions:

3.1. Fund Management & Administration

- a. Maintain a dedicated and transparent accounting system for PFF resources, separate from general government funds.
- b. Develop standard operating procedures (SOPs) and internal controls for disbursement, procurement, contracting, reporting, and monitoring.
- c. Ensure compliance with applicable state PPP policy, public finance laws, audit standards and anti-corruption requirements.

3.2. Project Pipeline Development & Screening

- a. Manage the pipeline of candidate PPP projects eligible for PFF support, aligned with state development strategies and PPP priorities.

b. Establish eligibility criteria (e.g., economic and social impact, strategic significance, readiness for preparation support, value-for-money potential, resource requirement justification).

c. Review and score applications for project preparation support using standardized appraisal templates.

3.3. Technical and Transaction Support Coordination

a. Engage and manage third-party specialists / transaction advisors (financial, legal, technical, environmental, procurement) as needed to support project preparation.

b. Draft Terms of Reference (ToRs) for advisory assignments, manage procurement processes, and oversee performance.

c. Ensure all technical and feasibility outputs meet international standards (e.g., PPP Reference Guide / World Bank, IMF project prep guidance) to achieve bankability.

3.4. Monitoring, Reporting and Accountability

a. Establish KPIs and project milestones for all PFF-supported interventions.

b. Prepare quarterly and annual performance and financial reports, including results on project readiness, risk analysis, and value creation.

c. Facilitate external audit and stakeholder transparency, including periodic publication of summaries of fund utilization.

d. Submit formal reports to the State PPP Council, Ministry of Finance, and other oversight institutions.

3.5. Stakeholder Engagement and Capacity Building

a. Engage relevant MDAs (Ministries, Departments and Agencies), local governments, private sector and civil society in project development discussions.

b. Organize workshops, trainings and knowledge sharing to build PPP project preparation and risk assessment capacity across key stakeholders.

c. Promote dissemination of best practice PPP approaches and establish a repository of guidelines and templates.

4. INSTITUTIONAL ARRANGEMENTS AND GOVERNANCE

4.1. Oversight

The Secretariat shall report to the PPP Council / appropriate governing authority as established under the CRS PPP Law, ensuring alignment with state PPP governance structures.

4.2. Secretariat Leadership

The Fund shall be led by a Fund Manager / Head of Secretariat, supported by multidisciplinary teams (finance, legal, technical, monitoring & evaluation, administration) drawn from the State Bureau of Public Private Partnership (BPPP) or as may be directed by the PPP Council.

4.3. Advisory Committees

Specialized committees (e.g., Technical Appraisal Committee; Finance & Audit Committee) may be established to provide independent assessment and oversight of funding decisions, following clear Terms of Reference.

5. ELIGIBLE ACTIVITIES SUPPORTED BY THE FUND

The PFF shall prioritize, but is not limited to, financing:

1. Pre-feasibility and full feasibility studies (technical, financial, economic, environmental and social).
2. Market soundness analysis and stakeholder consultations.
3. Business case development (Outline and Full Business Cases).
4. Project structuring and risk allocation analysis.
5. Preparation of tender and procurement documentation.
6. Legal and regulatory reviews required for project enablement.
7. Project transaction advisory services (technical, financial, legal).

These activities reflect best practice for structuring successful PPPs and reducing project delivery risks.

6. FUNDING AND FINANCIAL SAFEGUARDS

1. The PFF shall be financed through state budget appropriations, grants, donor contributions or other approved sources.
2. Disbursements shall conform with annual work plans, authorized budgets, and approved project proposals.

3. All expenditures shall be subjected to independent audit and integrated into state public financial reporting.
4. The Secretariat shall ensure prudent management of resources with strong internal control systems.

7. REPORTING REQUIREMENTS

The Secretariat shall prepare:

1. Quarterly status reports on fund utilization, pipeline developments and key achievements.
2. Annual audited financial statements and performance reports for submission to the State PPP Council and Legislature.
3. Ad hoc briefings for senior policymakers on emerging risks, opportunities and recommendations.

8. KEY PERFORMANCE INDICATORS (KPIs)

Examples include:

- Number of PPP projects advanced in preparation stage.
- Quality of feasibility studies and business cases delivered.
- Time from application to disbursement decision.
- Private sector interest and participation rates.
- Fund utilization vs planned budget.

9. DURATION AND REVISION

This Terms of Reference shall remain in force until formally updated by the Government or PPP Council. The Secretariat should propose revisions based on lessons learned and evolving international PPP best practice.

Function	Input	Output	Outcome
Intake	Staff	Screened projects	Quality pipeline
Monitoring	Data	Reports	Risk reduction

APPENDIX 2 – 5

(Agreement Template, Application Form, Evaluation Template, Annual Report Template – presented in structured tables consistent with the above SOPs)
