

LAGOS STATE PROJECT FACILITATION FUND (PFF)

GOVERNANCE RULES AND OPERATIONAL MANUAL





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GOVERNANCE RULES AND OPERATIONAL MANUAL

1. INTRODUCTION

1.1 Purpose and Scope of the Manual

This Governance Rules and Operational Manual ("the Manual") provides the authoritative framework governing the establishment, administration, and operation of the Lagos State Project Facilitation Fund (PFF). The Manual sets out the governance rules, operational procedures, institutional arrangements, and control mechanisms required to ensure that the Fund is managed in a transparent, accountable, efficient, and results-oriented manner, in accordance with the laws and regulations of Lagos State.

This Manual is issued pursuant to the powers of the Lagos State Government and shall be implemented in conformity with applicable State laws, including the Lagos State Public Finance Management framework, the Lagos State Public Procurement Law, extant Financial Instructions, Treasury Circulars, and any Executive approvals establishing or regulating the Fund.

The scope of this Manual covers the full lifecycle of the PFF, including governance arrangements, fund management, application and approval processes, disbursement mechanisms, procurement and contract management, audit and internal controls, safeguards, performance management, and reporting. The provisions of this Manual apply to all Ministries, Departments, and Agencies (MDAs), officials, committees, consultants, and other stakeholders involved in the administration or utilization of the Fund.

1.2 Objectives of the Manual

The objectives of this Manual are to:

- Establish clear and enforceable governance and operational rules for the effective management of the PFF;
- Define institutional roles, responsibilities, and decision-making authority for all entities involved in the Fund;
- Ensure prudent financial management, fiduciary oversight, and internal control in line with Lagos State financial regulations and audit requirements;
- Promote transparency, accountability, and value for money in the use of public resources;



- Standardize procedures for project identification, appraisal, approval, funding, implementation support, and monitoring;
- Ensure alignment of Fund-supported activities with Lagos State development priorities, sector strategies, and reform objectives; and
- Facilitate compliance with applicable procurement rules, safeguards, reporting obligations, and performance management standards.

1.3 Usage of the Manual

This Manual shall serve as the primary operational reference document for the governance and day-to-day administration of the PFF. All officers, MDAs, committees, and other stakeholders engaged in the management or utilization of the Fund shall comply strictly with its provisions.

This Manual shall be read in conjunction with relevant Lagos State laws, regulations, and official guidelines, including but not limited to the Lagos State Public Procurement Law, Financial Instructions, Treasury Circulars, and any Executive Council or Governor's approvals relating to the Fund. In the event of any inconsistency, the provisions of applicable Lagos State laws and duly issued Executive instruments shall prevail.

1.4 Structure of the Manual

This Manual is organized into thematic sections covering the Fund overview, governance arrangements, flow of funds, operational processes, procurement and contract management, audit and internal controls, safeguards, fund duration, and performance management. Detailed terms of reference and standardized templates are provided in annexes and appendices to support consistent and effective implementation.



2. FUND OVERVIEW

2.1 Objective of the Fund

The Lagos State Project Facilitation Fund (PFF) is established as a dedicated financing and facilitation mechanism to support the preparation, structuring, and implementation of priority public sector projects of the Lagos State Government.

The primary objective of the Fund is to address systemic constraints in early-stage project development and implementation readiness by providing targeted financial and technical support to MDAs. Through this intervention, the PFF seeks to enhance project quality, accelerate delivery timelines, improve value for money, and strengthen the State's capacity to deliver complex and high-impact projects in line with approved development plans.

2.2 Functions of the Fund

In furtherance of its objectives, the PFF shall perform the following functions:

- i. Finance project preparation activities, including feasibility studies, prefeasibility studies, business cases, engineering designs, environmental and social assessments, and other preparatory work;
- ii. Support the engagement of transaction advisors, technical consultants, and other professional services required for project structuring and facilitation;
- iii. Facilitate legal, institutional, financial, and commercial structuring necessary for effective project implementation;
- iv. Enhance project bankability and readiness for financing, procurement, or execution;
- v. Support coordination and alignment among MDAs and other stakeholders involved in project delivery; and
- vi. Strengthen institutional capacity within Lagos State for project planning, preparation, and delivery.



2.3 Sources of Funds

The PFF may be financed from the following sources, subject to applicable approvals and appropriations:

- i. Budgetary allocations of the Lagos State Government as approved by the appropriate authority;
- ii. Grants, donations, or contributions from development partners, donor agencies, or other approved sources;
- iii. Recoveries, reimbursements, or fees arising from Fund-supported projects, where applicable;
- iv. Investment income or other lawful revenues generated in the course of Fund operations; and
- v. Any other sources approved by the Lagos State Government in accordance with applicable laws.

All monies accruing to the Fund shall be paid into designated Fund bank accounts and managed strictly in line with Lagos State financial management regulations, Treasury rules, and audit requirements.

2.4 Eligible Projects and Activities

Projects and activities eligible for support under the PFF shall include:

- i. Public sector projects aligned with Lagos State development plans, sector policies, and approved reform programs;
- ii. Projects requiring preparatory, facilitation, or structuring support prior to full-scale implementation;
- iii. Infrastructure, social sector, and economic development projects with demonstrable public value and strategic relevance;
- iv. Reform-oriented, innovative, or complex projects requiring specialized technical or advisory support; and
- v. Any other projects or activities approved by the Fund Management Committee in accordance with this Manual.



2.5 Eligible Entities for Funding

Entities eligible to access support from the PFF include:

- i. Lagos State Ministries, Departments, and Agencies;
- ii. State-owned entities, agencies, or special purpose vehicles established or wholly owned by the Lagos State Government;
- iii. Other public sector institutions as may be approved by the Fund Management Committee.

Private sector entities shall not be direct beneficiaries of the Fund but may be engaged as consultants, contractors, or advisors in accordance with the Lagos State Public Procurement Law and applicable regulations.

2.6 Exclusions from Funding

The PFF shall not finance the following:

- i. Recurrent or operational expenditures not directly related to project preparation, structuring, or facilitation;
- ii. Projects or activities that are inconsistent with Lagos State development priorities or approved sector strategies;
- iii. Projects lacking requisite approvals, institutional ownership, or sponsorship by an eligible MDA;
- iv. Expenditures that contravene Lagos State financial regulations, procurement laws, audit requirements, or safeguard standards; and
- v. Any activities expressly excluded by applicable laws, Executive directives, or decisions of the Fund Management Committee.



3. FUND GOVERNANCE ARRANGEMENTS

3.1 Fund Management Committee

The Project Facilitation Fund (PFF) shall be governed by a Fund Management Committee (FMC), which shall serve as the highest decision-making and oversight body for the Fund. The FMC shall provide strategic direction, ensure fiduciary accountability, and exercise oversight over the management and utilization of the Fund in accordance with this Manual and applicable Lagos State laws and regulations.

3.1.1. Composition

The FMC shall be constituted by the Lagos State Government and shall comprise senior officials of relevant MDAs, including representatives with responsibility for finance, economic planning, budget, procurement, and sector coordination, as may be approved by the appropriate authority. The composition of the FMC shall ensure a balance of technical, financial, and policy expertise necessary for effective governance of the Fund.

The Chairperson and members of the FMC shall be appointed through an Executive approval, and their tenure shall be as specified in the instrument of appointment.

3.1.2. Functions and Powers

The FMC shall have the power and responsibility to:

- i. Approve the strategic direction, annual work plans, and budgets of the PFF;
- ii. Approve eligibility criteria, funding windows, and operational guidelines for the Fund;
- iii. Review and approve funding proposals and allocations above thresholds defined in this Manual;
- iv. Provide oversight of Fund performance, risk management, and compliance with applicable laws and policies;
- v. Approve engagement of high-value consultants and transaction advisors in line with procurement thresholds;
- vi. Consider and approve audit reports, management responses, and corrective action plans; and



- vii. Perform any other functions necessary for the effective governance of the Fund.

3.1.3. Meetings and Decision-Making

The FMC shall meet at least quarterly or as may be required for effective oversight of the Fund. Decisions of the FMC shall be taken by consensus or, where necessary, by majority vote of members present, subject to quorum requirements as defined by the Committee.

All FMC decisions shall be documented through formal minutes and resolutions, which shall be retained as official records of the Fund.

3.2 Officer Administering the Fund

The Officer Administering the Fund (OAF) shall be a senior public officer designated by the Lagos State Government and shall be responsible for the day-to-day administration and financial management of the PFF.

3.2.1. Roles and Responsibilities

The OAF shall:

- i. Serve as the accounting officer for the PFF and ensure compliance with Lagos State Financial Instructions and Treasury rules;
- ii. Implement the decisions and resolutions of the FMC;
- iii. Oversee the operation of the Fund bank accounts and authorize disbursements in accordance with approved procedures;
- iv. Ensure accurate financial records, reporting, and documentation of all Fund transactions;
- v. Facilitate internal and external audits of the Fund and ensure timely implementation of audit recommendations;
- vi. Submit periodic financial and operational reports to the FMC and other oversight bodies as required; and
- vii. Perform any other functions assigned by the FMC or as required under applicable laws.

The OAF shall be accountable to the FMC and to the relevant Lagos State oversight institutions for the proper administration of the Fund.



3.3 PFF Secretariat

A dedicated Project Facilitation Fund Secretariat shall be established to provide technical, administrative, and operational support for the implementation of the Fund.

3.3.1. Functions of the Secretariat

The Secretariat shall:

- i. Serve as the primary coordinating unit for PFF operations;
- ii. Manage the receipt, screening, and preliminary appraisal of funding applications;
- iii. Provide technical analysis and recommendations to the FMC;
- iv. Coordinate engagement of consultants, advisors, and service providers in line with procurement rules;
- v. Maintain comprehensive records and documentation relating to Fund activities;
- vi. Support monitoring, reporting, and performance tracking of Fund-supported projects; and
- vii. Perform such other functions as may be assigned by the FMC or the Officer Administering the Fund.

3.3.2. Reporting and Accountability

The Secretariat shall operate under the supervision of the Officer Administering the Fund and shall report administratively and operationally in accordance with structures approved by the FMC. The detailed Terms of Reference, staffing structure, and operating procedures of the Secretariat shall be set out in Annexure 1 to this Manual.



4. FLOW OF FUNDS

4.1 Fund Bank Accounts

The Project Facilitation Fund (PFF) shall operate designated bank account(s) approved by the Lagos State Treasury and maintained in the name of the Fund. The account(s) shall be opened and managed in accordance with Lagos State Financial Instructions, Treasury Circulars, and any other applicable public finance regulations.

The Fund bank account(s) shall be domiciled in a financial institution approved by the Lagos State Government. No other account shall be used for the receipt, custody, or disbursement of PFF resources without prior authorization by the appropriate authority.

Signatories to the Fund bank account(s) shall be designated public officers approved by the Lagos State Government. Signatory arrangements shall ensure adequate segregation of duties and shall comply with applicable financial control requirements.

4.2 Inflows to the Fund

Inflows to the PFF shall comprise all funds legally accruing to the Fund, including:

- i. Budgetary releases from the Lagos State Government in line with approved appropriations;
- ii. Grants, donations, or contributions from development partners, donor agencies, or other approved sources;
- iii. Recoveries, reimbursements, or fees arising from Fund-supported activities, where applicable;
- iv. Investment income or interest earned on Fund balances, where permitted by law; and
- v. Any other inflows approved in accordance with applicable Lagos State laws and regulations.

All inflows shall be promptly lodged into the designated Fund bank account(s) and duly recorded in the Fund's financial records. No cash handling or off-book transactions shall be permitted.



4.3 Outflows from the Fund

Outflows from the PFF shall be limited strictly to expenditures approved in accordance with this Manual and shall be effected only for eligible purposes.

4.3.1 Authorization and Controls

All Fund disbursements shall:

- i. Be supported by approved funding decisions, contracts, or agreements;
- ii. Comply with Lagos State Financial Instructions, procurement regulations, and Treasury approval processes;
- iii. Be authorized by the Officer Administering the Fund or other duly authorized signatories within approved limits; and
- iv. Be subject to internal control checks, documentation, and verification prior to payment.

No payment shall be made from the Fund without adequate supporting documentation and confirmation that the expenditure is eligible and properly approved.

4.3.2 Eligible Payment Categories

Outflows from the Fund may include payments for:

- i. Consultant and transaction advisory services;
- ii. Technical studies, designs, assessments, and preparatory works;
- iii. Project facilitation and implementation support activities;
- iv. Monitoring, evaluation, and reporting activities related to Fund-supported projects; and
- v. Any other eligible expenditure approved by the Fund Management Committee in line with this Manual.

4.3.3 Financial Recording and Reporting

All Fund outflows shall be accurately recorded in the Fund's financial management system and supported by complete documentation. Periodic financial reports detailing inflows, outflows, and balances shall be prepared by the Officer Administering the Fund and submitted to the Fund Management Committee and other oversight bodies as required. The Fund shall be subject to continuous Treasury oversight, internal audit review, and external audit in accordance with Lagos State audit regulations.



5. OPERATIONS OF THE FUND

5.1 Business Planning and Financing Policy

The operations of the Project Facilitation Fund (PFF) shall be guided by an annual business plan and financing policy approved by the Fund Management Committee (FMC). The business plan shall set out the Fund's strategic priorities, funding windows, indicative budget allocations, implementation timelines, and performance targets for the relevant financial year.

The financing policy shall define the principles, instruments, and conditions under which PFF resources may be deployed, including cost eligibility, funding limits, cost-sharing arrangements (where applicable), and recovery or reimbursement mechanisms. All operational decisions shall be consistent with the approved business plan and financing policy.

5.2 Financing Policy

The PFF shall operate as a facilitative and catalytic funding mechanism and shall not substitute for regular budgetary financing of MDAs. Financing provided under the Fund shall be targeted, time-bound, and linked to clearly defined outputs and deliverables.

Financing modalities may include:

- Full or partial funding of eligible project preparation and facilitation activities;
- Advance financing subject to approved work plans and milestones; and
- Reimbursable financing, where applicable, in accordance with terms approved by the FMC.

All financing decisions shall be subject to value-for-money considerations and compliance with Lagos State financial and procurement regulations.

5.3 Funding Windows

The FMC may establish one or more funding windows to reflect the strategic focus of the Fund. Funding windows may be thematic, sector-based, or activity-based and shall be clearly defined in the approved business plan.



Each funding window shall specify eligibility criteria, maximum funding limits, applicable approval thresholds, and implementation timelines. The establishment, modification, or closure of funding windows shall require FMC approval.

5.4 Management of Funding Applications

The PFF Secretariat shall manage the end-to-end process for funding applications in accordance with procedures approved by the FMC.

5.4.1 Submission and Screening

Eligible MDAs shall submit funding applications in the prescribed format and accompanied by all required documentation. The Secretariat shall conduct an initial screening to confirm eligibility, completeness, and alignment with Fund objectives.

5.4.2 Appraisal and Recommendation

Applications that pass initial screening shall be subjected to technical, financial, and institutional appraisal by the Secretariat or designated evaluators. Appraisal shall assess strategic alignment, technical feasibility, implementation readiness, cost reasonableness, and risk.

Based on the appraisal, the Secretariat shall prepare recommendations for consideration and approval by the appropriate approving authority in line with defined thresholds.

5.5 Funding Agreement

All approved funding shall be formalized through a written funding agreement executed between the PFF and the beneficiary MDA or implementing entity.

The funding agreement shall specify, at a minimum:

- i. Scope of activities and deliverables;
- ii. Approved budget and disbursement schedule;
- iii. Roles and responsibilities of the parties;
- iv. Reporting, monitoring, and audit requirements;
- v. Conditions precedent to disbursement;
- vi. Remedies for non-performance or misuse of funds; and
- vii. Applicable laws and dispute resolution provisions.

A standard funding agreement template is provided in Appendix 2 to this Manual.



5.6 Fund Disbursement

Disbursement of PFF resources shall be made strictly in accordance with approved funding agreements and shall be linked to agreed milestones, deliverables, or conditions.

Disbursements may be made in tranches and shall be subject to verification of performance and compliance with reporting requirements. No disbursement shall be made where material non-compliance has been identified.

5.7 Fund Disbursement Tracking and Documentation

All disbursements shall be tracked through a robust financial and records management system. The Secretariat shall maintain complete documentation supporting each disbursement, including approvals, contracts, invoices, deliverables, and verification reports.

Periodic disbursement and utilization reports shall be prepared and submitted to the FMC and relevant oversight bodies. All records shall be retained in accordance with Lagos State records management and audit requirements.



6. PROCUREMENT AND CONTRACT MANAGEMENT

6.1 Procurement Principles and Framework

All procurement activities financed under the Project Facilitation Fund (PFF) shall be conducted in strict compliance with the Lagos State Public Procurement Law, applicable Regulations, Financial Instructions, Treasury Circulars, and any guidelines issued by the Lagos State Public Procurement Agency (LSPPA).

Procurement under the PFF shall be guided by the principles of economy, efficiency, transparency, competition, fairness, accountability, and value for money. All procurement decisions shall be documented and shall withstand audit and public accountability scrutiny.

Where development partner funds are involved and additional procurement requirements apply, such requirements shall be complied with provided they are consistent with Lagos State laws or are approved by the appropriate authority.

6.2 Procurement Responsibilities

Procurement responsibilities under the PFF shall be clearly defined and segregated to ensure effective control and accountability.

- The Fund Management Committee (FMC) shall provide oversight and approve high-value or strategic procurements in line with defined thresholds.
- The Officer Administering the Fund (OAF) shall ensure that all procurement activities comply with applicable laws and approved procedures.
- The PFF Secretariat shall coordinate procurement planning, preparation of procurement documentation, and contract administration in collaboration with the relevant MDA procurement units.
- The relevant MDA Procurement Planning Committee and Tenders Board, as applicable, shall exercise their statutory roles in accordance with the Lagos State Public Procurement Law.

No procurement shall be undertaken outside the approved institutional and legal framework.



6.3 Procurement Planning and Thresholds

All PFF-financed procurement shall be based on an approved procurement plan aligned with the Fund's annual business plan and budget.

Procurement methods, approval thresholds, and review requirements shall be applied strictly in accordance with the Lagos State Public Procurement Law and associated Regulations. The applicable procurement method shall be determined by the nature, complexity, and estimated value of the procurement.

Any deviation from approved procurement plans or thresholds shall require prior approval by the appropriate authority in accordance with the law.

6.4 Engagement of Consultants and Transaction Advisors

The engagement of consultants, transaction advisors, and other professional service providers under the PFF shall follow competitive selection procedures prescribed under the Lagos State Public Procurement Law.

Selection methods may include quality- and cost-based selection, quality-based selection, or other approved methods, as appropriate to the assignment.

Terms of Reference shall be clearly defined and approved prior to commencement of the selection process. All consultancy contracts shall be executed in writing and shall specify deliverables, timelines, fees, reporting requirements, and performance standards.

6.5 Contract Management

All contracts financed under the PFF shall be actively managed to ensure timely delivery, quality assurance, and compliance with contractual obligations.

Contract management responsibilities shall include:

- Monitoring performance against agreed deliverables and milestones;
- Verifying outputs prior to certification and payment;
- Managing contract variations strictly in accordance with applicable approval requirements; and



- Addressing non-performance, disputes, or contract termination in line with contract provisions and applicable laws.

No payment shall be made under any contract without confirmation that contractual obligations have been satisfactorily met.

6.6 Records and Documentation

Complete and accurate procurement and contract records shall be maintained for all PFF-financed activities. Records shall include procurement plans, bidding documents, evaluation reports, approvals, contracts, correspondence, performance reports, and payment documentation.

All records shall be retained in accordance with Lagos State records management policies and shall be made available for inspection by authorized oversight, audit, and investigative bodies.

6.7 Procurement Monitoring and Reporting

The PFF Secretariat shall monitor procurement activities and contract performance on an ongoing basis and prepare periodic reports for submission to the Officer Administering the Fund and the FMC.

Procurement monitoring reports shall highlight compliance status, implementation progress, key risks, and any issues requiring management or FMC intervention. Procurement activities under the PFF shall be subject to internal audit review and external audit in accordance with Lagos State audit requirements.



7. AUDIT AND INTERNAL CONTROL

7.1 Internal Control Framework

The Project Facilitation Fund (PFF) shall operate a robust internal control framework designed to provide reasonable assurance regarding the achievement of operational effectiveness, reliability of financial reporting, safeguarding of assets, and compliance with applicable Lagos State laws and regulations.

The internal control framework shall include clear segregation of duties, authorization and approval hierarchies, documented procedures, risk assessment mechanisms, and controls over financial transactions and records. The framework shall be aligned with Lagos State Financial Instructions and public sector internal control standards.

7.2 Internal Audit

The operations of the PFF shall be subject to continuous internal audit oversight in accordance with Lagos State internal audit regulations and guidelines.

The Internal Audit Unit of the supervising Ministry or other designated internal audit body shall:

- Conduct periodic risk-based internal audits of the Fund's financial and operational activities;
- Review compliance with this Manual, Financial Instructions, procurement rules, and applicable laws;
- Assess the adequacy and effectiveness of internal controls and risk management practices; and
- Issue audit reports with findings and recommendations for management action.

The Officer Administering the Fund shall ensure timely implementation of agreed internal audit recommendations and report on corrective actions to the Fund Management Committee (FMC).

7.3 External Audit

The PFF shall be subject to annual external audit by the Office of the Auditor-General for Lagos State or any other auditor appointed in accordance with applicable laws.



The external audit shall cover the Fund's financial statements, compliance with laws and regulations, and the effectiveness of internal controls. Audit reports shall be submitted to the appropriate oversight authorities and the FMC.

Where required by development partners or specific funding arrangements, additional external audits may be conducted, provided such audits are consistent with Lagos State laws and are duly approved.

7.4 Fraud, Misuse, and Financial Irregularity Response

Any suspicion or occurrence of fraud, misuse of funds, or financial irregularity relating to the PFF shall be promptly reported and investigated in accordance with Lagos State regulations and established procedures.

The response to fraud or financial misconduct shall include:

- Immediate documentation and reporting of the incident;
- Suspension of affected transactions or activities where necessary;
- Investigation by appropriate internal or external authorities; and
- Application of disciplinary, administrative, civil, or criminal sanctions, as applicable.

The FMC shall be informed of all material cases of fraud or financial irregularity and the actions taken.

7.5 Monitoring, Learning, and Continuous Improvement

Findings from internal audits, external audits, and other oversight reviews shall be systematically analyzed and used to strengthen the governance and operation of the PFF.

The Secretariat, under the supervision of the Officer Administering the Fund, shall track implementation of audit recommendations and institutionalize lessons learned. Periodic reviews of Fund processes and controls shall be conducted to support continuous improvement and ensure the PFF remains effective, compliant, and responsive to evolving needs.



8. ANTI-FRAUD, CORRUPTION, AND SAFEGUARD MEASURES

8.1 Anti-Fraud and Anti-Corruption Policy

The Project Facilitation Fund (PFF) shall be administered in accordance with a zero-tolerance policy toward fraud, corruption, collusion, coercion, and any form of financial or ethical misconduct.

All officers, committee members, consultants, contractors, and other parties involved in PFF-financed activities shall comply with applicable Lagos State laws, public service rules, codes of conduct, and anti-corruption regulations, including directives issued by relevant oversight and enforcement agencies.

Prohibited practices under the PFF shall include, but are not limited to:

- Fraudulent acts, including misrepresentation or falsification of information;
- Corrupt practices, including offering, giving, receiving, or soliciting anything of value to influence official actions;
- Collusive practices designed to improperly influence procurement or funding decisions; and
- Abuse of office or conflict of interest in relation to Fund activities.

8.2 Environmental and Social Safeguards

All projects and activities supported by the PFF shall comply with applicable Lagos State environmental and social laws, regulations, and standards.

Where relevant, Fund-supported activities shall be screened to identify potential environmental and social risks and impacts. Appropriate mitigation measures shall be incorporated into project design and implementation to ensure that adverse impacts are avoided, minimized, or managed.

The PFF shall not finance activities that pose significant environmental or social risks that cannot be adequately mitigated in accordance with applicable laws or approved safeguards frameworks.



8.3 Anti-Fraud, Corruption, and Safeguards Charter

The Fund Management Committee (FMC) shall approve and issue an Anti-Fraud, Corruption, and Safeguards Charter applicable to all PFF stakeholders.

The Charter shall set out ethical standards, conflict-of-interest rules, disclosure requirements, whistleblowing arrangements, and sanctions for non-compliance. All relevant officers, committee members, consultants, and service providers shall be required to acknowledge and comply with the Charter as a condition for participation in PFF-financed activities.

8.4 Institutional Responsibilities

Responsibilities for the implementation and enforcement of anti-fraud, anti-corruption, and safeguard measures shall be clearly assigned as follows:

- i. The FMC shall provide oversight and ensure enforcement of the anti-fraud and safeguards framework;
- ii. The Officer Administering the Fund shall ensure operational compliance and reporting of any violations;
- iii. The PFF Secretariat shall support screening, monitoring, documentation, and awareness activities;
- iv. Internal and external audit bodies shall review compliance and investigate irregularities within their mandates; and
- v. Relevant Lagos State oversight and enforcement agencies shall exercise their statutory functions where violations are identified.

All breaches of anti-fraud, anti-corruption, or safeguard provisions shall be addressed promptly and in accordance with applicable laws and procedures.



9. DURATION AND WINDING UP OF THE FUND

9.1 Permanence and Review Cycle

The Project Facilitation Fund (PFF) is established as a standing funding mechanism of the Lagos State Government, subject to periodic review to ensure continued relevance, effectiveness, and alignment with State development priorities.

The governance arrangements, operational procedures, and performance of the Fund shall be reviewed at intervals determined by the Fund Management Committee (FMC), but not less than once every three years. Such reviews may be commissioned internally or externally and shall inform decisions on continuation, modification, or restructuring of the Fund.

9.2 Conditions for Winding Up or Restructuring

The PFF may be wound up, merged, or restructured only by a formal decision of the Lagos State Government, issued through appropriate Executive authority.

Conditions that may trigger winding up or restructuring include:

- i. Achievement of the objectives for which the Fund was established;
- ii. Changes in State policy or institutional arrangements rendering the Fund redundant;
- iii. Persistent underperformance or fiduciary risks that cannot be adequately mitigated; or
- iv. Any other circumstances as may be determined by the Lagos State Government in the public interest.

9.3 Treatment of Outstanding Commitments

In the event of winding up or restructuring of the PFF, all outstanding contractual and financial commitments shall be honored in accordance with existing funding agreements and applicable laws.

Uncommitted balances remaining after settlement of obligations shall be treated in accordance with Lagos State financial regulations and any specific directives issued by the appropriate authority.



9.4 Institutional Transition Arrangements

Where the functions of the PFF are transferred, merged, or discontinued, the Lagos State Government shall approve appropriate transition arrangements to ensure continuity of critical activities, orderly transfer of records, and protection of public assets.

The FMC, Officer Administering the Fund, and Secretariat shall cooperate fully in implementing approved transition arrangements.



10. FUND PERFORMANCE MANAGEMENT FRAMEWORK

10.1 Key Performance Areas

The performance of the PFF shall be assessed across clearly defined key performance areas, including:

- Efficiency and timeliness of project preparation and facilitation;
- Quality and readiness of supported projects;
- Compliance with fiduciary, procurement, and safeguard requirements;
- Contribution to Lagos State development priorities and reform objectives; and
- Institutional capacity strengthening within MDAs.

10.2 Performance Indicators

Specific, measurable performance indicators shall be defined for each key performance area. Indicators may include quantitative and qualitative measures related to outputs, outcomes, and processes.

Performance indicators shall be approved by the FMC and reviewed periodically to ensure continued relevance.

10.3 Monitoring and Reporting Cycle

The PFF Secretariat shall monitor Fund activities and performance on an ongoing basis and prepare periodic performance reports.

Monitoring and reporting shall be conducted on a quarterly and annual basis, or as otherwise required, and reports shall be submitted to the FMC and relevant Lagos State oversight institutions.

10.4 Independent Evaluation

Independent evaluations of the PFF may be commissioned at intervals approved by the FMC to assess effectiveness, efficiency, impact, and sustainability.

Findings from independent evaluations shall inform strategic decisions, operational improvements, and policy adjustments relating to the Fund.



10.5 Feedback and Adaptive Learning

The PFF shall institutionalize feedback and learning mechanisms to support continuous improvement. Lessons learned from implementation, audits, and evaluations shall be documented and integrated into operational practices.

The FMC shall ensure that management responses to evaluation findings are tracked and implemented.

10.6 Integration with State-Level Monitoring Systems

Performance monitoring of the PFF shall, to the extent practicable, be integrated with existing Lagos State monitoring, evaluation, and reporting systems.

Such integration shall promote coherence, reduce duplication, and support evidence-based decision-making across the State Government.



ANNEXURE 1

TERMS OF REFERENCE FOR THE PROJECT FACILITATION FUND (PFF) SECRETARIAT

A1.1 Establishment and Purpose

The Project Facilitation Fund (PFF) Secretariat is established as the technical and administrative unit responsible for supporting the effective implementation, coordination, and day-to-day operations of the Lagos State Project Facilitation Fund.

The Secretariat shall function as the operational backbone of the Fund, providing professional, analytical, and administrative services to ensure that PFF resources are deployed efficiently, transparently, and in full compliance with applicable Lagos State laws and regulations.

A1.2 Reporting and Accountability

The PFF Secretariat shall operate under the supervision of the Officer Administering the Fund and shall be accountable to the Fund Management Committee (FMC) through the Officer Administering the Fund.

The Secretariat shall submit periodic operational, financial, and performance reports as required by the FMC and other authorized oversight institutions of the Lagos State Government.

A1.3 Core Functions and Responsibilities

The Secretariat shall perform the following core functions:

A1.3.1 Operational Coordination

- i. Coordinate the overall operations of the PFF in accordance with this Manual and FMC directives;
- ii. Serve as the primary point of contact between the Fund and MDAs, consultants, and other stakeholders;
- iii. Support preparation and implementation of the annual business plan and procurement plan of the Fund.

A1.3.2 Application Management and Appraisal

- i. Receive, register, and manage funding applications submitted by eligible MDAs;
- ii. Conduct eligibility screening and preliminary assessments;
- iii. Undertake or coordinate technical, financial, and institutional appraisal of applications;



- iv. Prepare appraisal reports and recommendations for consideration by the FMC or other approving authorities.

A1.3.3 Procurement and Contract Support

- i. Support procurement planning and preparation of procurement documentation in collaboration with relevant MDA procurement units;
- ii. Coordinate engagement of consultants, transaction advisors, and service providers in compliance with the Lagos State Public Procurement Law;
- iii. Support contract administration, performance monitoring, and verification of deliverables.

A1.3.4 Financial Management and Disbursement Support

- i. Support preparation of disbursement requests and documentation in line with approved funding agreements;
- ii. Maintain accurate records of Fund commitments, disbursements, and balances;
- iii. Support preparation of periodic financial reports for management and oversight bodies.

A1.3.5 Monitoring, Reporting, and Performance Management

- i. Monitor implementation progress of Fund-supported activities;
- ii. Track achievement of agreed outputs, milestones, and performance indicators;
- iii. Prepare periodic operational and performance reports for submission to the FMC and other oversight institutions.

A1.3.6 Compliance, Audit, and Safeguards

- i. Support implementation of internal controls, anti-fraud measures, and safeguards;
- ii. Facilitate internal and external audits and provide required documentation;
- iii. Track and support implementation of audit recommendations and management actions.

A1.4 Staffing and Organization

The Secretariat shall be staffed with appropriately qualified personnel possessing expertise in project preparation, public finance, procurement, legal and contract management, monitoring and evaluation, and administration.



The staffing structure, roles, and grades of Secretariat personnel shall be approved by the **appropriate authority** of the Lagos State Government and shall be consistent with public service rules and policies.

A1.5 Operating Procedures

The Secretariat shall operate in accordance with documented standard operating procedures approved by the FMC. Such procedures shall be consistent with this Manual and applicable Lagos State regulations.

A1.6 Code of Conduct and Confidentiality

All Secretariat staff shall adhere to the Lagos State Public Service Rules, applicable codes of conduct, and the Anti-Fraud, Corruption, and Safeguards Charter of the PFF.

Secretariat staff shall maintain strict confidentiality over all information and documents accessed in the course of their duties, except where disclosure is authorized or required by law.

A1.7 Performance Management

The performance of the Secretariat shall be subject to periodic assessment by the Officer Administering the Fund and the FMC, based on agreed performance indicators and service standards.

Findings from performance assessments shall inform capacity strengthening, process improvements, and any adjustments to Secretariat operations.



APPENDIX 2

PROJECT FACILITATION FUND (PFF) FUNDING AGREEMENT

This Funding Agreement ("Agreement") is made on the ____ day of _____ 20__

BETWEEN

The Lagos State Government, acting through the Project Facilitation Fund (PFF), represented by the Officer Administering the Fund ("the Fund")

AND

_____, a
Ministry/Department/Agency of the Lagos State Government ("the Beneficiary").

1. Purpose of the Agreement

The purpose of this Agreement is to set out the terms and conditions under which the Fund shall provide financial support to the Beneficiary for the implementation of approved project facilitation activities.

2. Scope of Activities

The Beneficiary shall implement the activities described in **Schedule 1** to this Agreement ("the Project"), in accordance with the approved work plan, budget, and timelines.

3. Funding Amount and Budget

3.1 The Fund shall provide funding in the amount of ₦_____, subject to availability of funds and compliance with this Agreement.

3.2 The approved budget is set out in **Schedule 2** and shall not be varied without prior written approval of the Fund.

4. Disbursement Arrangements

4.1 Disbursements shall be made in tranches in accordance with the milestones and conditions set out in **Schedule 3**.

4.2 Disbursement shall be subject to satisfactory submission and verification of required reports and deliverables.



5. Obligations of the Beneficiary

The Beneficiary shall:

- i. Implement the Project with due diligence, efficiency, and in compliance with applicable Lagos State laws and regulations;
- ii. Use the funds solely for the purposes approved under this Agreement;
- iii. Maintain accurate financial and operational records;
- iv. Submit periodic progress and financial reports as required; and
- v. Permit access to records and sites by authorized oversight, audit, and monitoring bodies.

6. Procurement and Contracting

All procurement under this Agreement shall be conducted in accordance with the Lagos State Public Procurement Law and applicable regulations.

7. Monitoring, Audit, and Reporting

The Project shall be subject to monitoring, internal audit, and external audit as required by the Fund and applicable laws.

8. Suspension and Termination

The Fund may suspend or terminate this Agreement in the event of material breach, misuse of funds, or non-performance.

9. Refund and Recovery

Any funds determined to have been misused or unutilized shall be refunded to the Fund in accordance with applicable financial regulations.

10. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Lagos State.

11. Dispute Resolution

Any dispute arising under this Agreement shall be resolved amicably, failing which it shall be referred to appropriate legal mechanisms under Lagos State law.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.



Officer Administering the Fund

For the Beneficiary MDA



APPENDIX 3

PROJECT FACILITATION FUND (PFF) APPLICATION FORM

A. General Information

1. Name of MDA: _____
2. Contact Person and Designation: _____
3. Email Address and Phone Number: _____
4. Project Title: _____
5. Sector: _____

B. Project Description

6. Brief Description of the Project:
7. Strategic Alignment (State plans, sector strategies, reforms):

C. Objectives and Outputs

8. Project Objectives:
9. Expected Outputs and Deliverables:

D. Scope of Support Requested

10. Type of PFF Support Requested (e.g. feasibility study, transaction advisory, design):
11. Estimated Duration of Support

E. Budget and Financing

12. Total Estimated Cost (₱): _____
13. Amount Requested from PFF (₱): _____
14. Other Funding Sources (if any): _____

F. Implementation Arrangements

15. Implementing Unit/Department within the MDA:

16. Key Risks and Mitigation Measures:



G. Compliance and Declarations

17. Confirmation of requisite approvals obtained (attach evidence): Yes / No

18. Declaration: We certify that the information provided in this application is accurate and that the proposed activities comply with applicable Lagos State laws and regulations.

Name and Signature: _____ **Date:** _____

Official Stamp:



APPENDIX 4

PROJECT EVALUATION AND SCORING

A. Project Identification

- Project Title: _____
- MDA: _____
- Sector: _____
- Funding Window: _____

B. Evaluation Criteria and Scoring

Projects shall be evaluated using the criteria below. Scores shall be awarded on a scale of 1 (Very Weak) to 5 (Excellent).

No.	Evaluation Criterion	Description	Score (1–5)	Weighted Score
1	Strategic Alignment	Alignment with Lagos State development plans and sector priorities		
2	Project Readiness	Clarity of scope, approvals obtained, and readiness for implementation		
3	Technical Soundness	Feasibility and technical robustness of the proposed activities		
4	Value for Money	Reasonableness of costs relative to expected outputs		
5	Implementation Capacity	Capacity of the MDA to manage and deliver the proposed activities		
6	Risk Assessment	Identification and mitigation of key risks		
7	Safeguards Compliance	Environmental, social, and fiduciary risk considerations		



Total Score: _____

C. Evaluation Outcome

- Recommended for Approval: Yes / No
- Conditions (if any): _____

D. Evaluation Panel Sign-Off

Name and Designation: _____ **Signature:** _____

Date: _____



APPENDIX 5

PROJECT FACILITATION FUND (PFF) ANNUAL REPORT TEMPLATE

1. Executive Summary

Provide a high-level overview of the Fund's performance during the reporting year, key achievements, challenges, and outlook.

2. Overview of the Project Facilitation Fund

- Mandate and objectives of the Fund
- Governance and institutional arrangements

3. Summary of Activities

- Overview of funding windows operational during the year
- Summary of projects supported, by sector and MDA

4. Financial Performance

- Summary of inflows and outflows
- Fund balance at year-end
- Financial highlights and key issues

5. Operational Performance

- Progress against key performance indicators
- Status of supported projects
- Key outputs and deliverables achieved

6. Procurement and Contract Management

- Summary of procurement activities undertaken
- Compliance with procurement regulations
- Key contracts and consultants engaged

7. Audit, Compliance, and Safeguards

- Internal and external audit status
- Key audit findings and management actions
- Safeguards compliance summary

8. Challenges, Lessons Learned, and Risk Management

- Key challenges encountered
- Lessons learned and corrective actions



- Emerging risks and mitigation measures

9. Outlook and Priorities for the Next Year

- Strategic priorities
- Planned improvements and reforms

10. Annexes

- List of supported projects
- Summary financial statements
- Other relevant information