



**OYO STATE INVESTMENT
PROMOTION AND PUBLIC
PRIVATE PARTNERSHIP
AGENCY**

**OYO STATE PROJECT
FACILITATION FUND
REGULATION**

OYO STATE OF NIGERIA

OYO STATE PROJECT FACILITATION FUND REGULATION, 2025

WHEREAS Section 30 of the Oyo State Investment and Public Private Partnership Agency Law, 2019 (hereinafter referred to as "the Principal Law") empowers the Director-General, with the approval of the Governor, to make Regulations providing for any matter necessary for giving effect to the provisions of the Principal Law;

AND WHEREAS it is deemed necessary to establish a dedicated fund to facilitate and support Public Private Partnership (PPP) projects within Oyo State, thereby giving further effect to the objectives and functions of the Oyo State Investment and Public Private Partnership Agency (hereinafter referred to as "the Agency") as established under the Principal Law;

NOW, THEREFORE, the Director-General, with the approval of the Governor, hereby makes the following Regulations -

1. Short Title

This Regulation may be cited as the Oyo State Project Facilitation Fund Regulation, 2025.

2. Interpretation

In this Regulation -

"Agency" means the Oyo State Investment and Public Private Partnership Agency established under Section 3 of the Principal Law;

"Committee" means the Project Facilitation Committee;

"Director-General" means the Director-General of the Agency appointed under Section 13 of the Principal Law;

"Fund" means the Oyo State Project Facilitation Fund;

"Governor" means the Governor of Oyo State;

"Principal Law" means the Oyo State Investment and Public Private Partnership Agency Law, 2019;

"PPP Project" means a Public Private Partnership Project as defined in the Principal Law;

"State" means Oyo State of Nigeria.

ESTABLISHMENT AND OBJECTIVES OF THE FUND

3. Establishment of the Oyo State Project Facilitation Fund

(1) There is hereby established for the purpose of facilitating Public Private Partnership Projects in the State, a fund to be known as the Oyo State Project Facilitation Fund (hereinafter referred to as "the Fund").

(2) The Fund shall be a dedicated account within the overall Fund of the Agency as established under Section 19 of the Principal Law.

4. Objectives of the Fund

The primary objectives of the Fund shall be to -

- (1) provide financial support to mitigate specific risks associated with viable PPP Projects, thereby enhancing their bankability and attractiveness to private investors;
- (2) provide financial assistance to make commercially unviable but socio-economically desirable PPP Projects viable, where user fees or tariffs alone cannot cover the project costs and provide a reasonable return to the private partner;
- (3) fund the engagement of expert transaction advisers (legal, financial, technical) for the preparation, procurement, and negotiation phases of complex PPP Projects;
- (4) support feasibility studies, environmental and social impact assessments, detailed designs, and other preparatory activities for identified PPP Projects;
- (5) provide funding for the management of mandatory Environmental and Social Safeguards, including compensation and resettlement costs for Project Affected Persons (PAPs) necessary for project execution and compliance with international

standards

- (6) provide for potential contingent liabilities arising from PPP Agreements, subject to specific approvals and support for tendering PPP project; and
- (7) support promotional activities aimed at attracting private sector investment into PPP Projects in the State.

SOURCES AND APPLICATION OF THE FUND

5. Sources of the Fund

- (1) The Fund shall be derived from, and credited with, the following sources, in addition to those specified in Section 19(2) of the Principal Law:
 - (a) budgetary allocations from the State Government for PPP project facilitation;
 - (b) grants, donations, endowments, and aid from multilateral and bilateral development partners, international organizations, and philanthropic bodies specifically earmarked for PPP project development;
 - (c) returns on investments made by the Agency from the Fund, subject to the provisions of Section 19(4) of the Principal Law; and
 - (d) any other monies accruing to the Fund from sources approved by the Governor for the purpose of PPP project facilitation.

- (2) The annual budgetary allocation specified in sub-regulation 5 (a) shall be committed at a minimum funding ratio equivalent to 3% of the estimated capital investment of the State's annual PPP project pipeline and any other relevant sources as maybe determined by the Government to ensure the Fund is of adequate scale and meets international financing requirements.

6. Application of the Fund

The proceeds of the Fund shall be applied solely for the objectives specified in Regulation 4 of these Regulations, and under the provisions of Section 20 of the

Principal Law, specifically for -

- (a) payment for professional services rendered by transaction advisers, consultants, and other experts engaged for PPP Project preparation and execution;
- (b) provision of viability gap funding or other financial support mechanisms for eligible PPP Projects, as approved by the Committee and the State Executive Council;
- (c) funding of technical studies, surveys, and assessments required for PPP Project development;
- (d) Costs associated with the provision of mandatory Environmental and Social Safeguards, including compensation and resettlement expenses for Project Affected Persons (PAPs);
- (e) costs associated with capacity building programs for PPP stakeholders;
- (f) costs of promotional and investor outreach activities related to PPPs; and
- (g) any other expenditure incidental to the achievement of the Fund's objectives, as approved by the Committee and the Governor.

MANAGEMENT AND ADMINISTRATION OF THE FUND

7. Management of the Fund

- (1) The Agency shall manage the Fund under the oversight of the Project Facilitation Committee, (herein after referred to as “the Committee”).
- (2) The Director-General, as the Chief Accounting Officer of the Agency, shall be the Chairman of the Committee.
- (3) Members of the Committee include –
 - (a) representative of the Ministry of Finance
 - (b) representative of the Ministry of Budget and Economic Planning;
 - (c) representative of the Ministry of Justice;

- (d) representative of the Office of the Accountant-General;
- (e) representative of the Office of the Auditor-General for the State; and
- (f) representative of the Agency who shall be the Secretary of the Committee.

(4) The total annual operating and administrative expenses of the Fund shall not exceed 10% of the Fund's annual committed capital

8. Roles and Responsibilities

- (1) The Committee shall -
 - (a) provide strategic oversight for the management and application of the Fund;
 - (b) approve the annual budget and work plan for the utilization of the Fund;
 - (c) approve guidelines and criteria for accessing the Fund;
 - (d) consider and approve proposals for the disbursement of funds for specific PPP Projects or activities, subject to the overall financial regulations of the State; and
 - (e) review periodic reports on the Fund's performance and utilisation.
- (2) The Agency shall be the Fund Management Unit working as the Secretariat of the Fund to handle day-to-day operations, project screening, technical due diligence, and performance reporting.
- (3) The Agency shall prepare comprehensive Fund Rules and Operational Manual detailing all funding limits, application procedures, reporting requirements, and fiduciary controls, which must explicitly incorporate the minimum funding commitment ratio specified in this Regulation, with the approval of the Committee and the Governor.

ELIGIBILITY, DISBURSEMENT, AND ACCOUNTABILITY

9. Eligibility Criteria for Fund Access

(1) PPP Projects or activities seeking support from the Fund must -

- (a) be identified as a priority project in the State's development plan or PPP pipeline;
- (b) demonstrate clear public interest and socio-economic benefits;
- (c) have undergone an initial screening and appraisal by the Agency;
- (d) demonstrate a clear need and justification for financial support to achieve commercial viability while ensuring value for money for the State; and
- (e) adhere to the principles of transparency, competition, and value for money in their procurement and execution.

(2) The Committee may, from time to time, issue detailed guidelines specifying additional eligibility criteria.

10. Procurement and Compliance

- (1) Procurement of all services funded by the PFF shall be executed in a manner that ensures fairness, competition, and value for money, in compliance with the State's Public Procurement Law.
- (2) The Agency shall establish a publicly accessible Grievance Redress Mechanism for bidders to challenge procurement decisions.

11. Disbursement and Accountability

- (1) Disbursements shall be made in tranches, strictly linked to the achievement of specific performance milestones or deliverables as outlined in the approved project plan or contract.
- (2) Where a beneficiary discontinues a project without justifiable cause, the Agency is mandated to recover disbursed amounts from the MDA's budget to safeguard PFF resources.
- (3) The Agency shall enter into formal agreements with beneficiaries of the Fund, specifying the terms and conditions of the funding, including reporting requirements and performance indicators.

12. Application Procedure

- (1) The MDA or the Agency, on behalf of a PPP Project, shall submit a formal application to the Director-General for access to the Fund.
- (2) The application shall include -
 - (a) a detailed project proposal outlining the scope, objectives, and expected outcomes;
 - (b) a comprehensive financial plan, including the requested amount from the Fund and its specific utilization;
 - (c) justification for the requested funding, demonstrating how it aligns with the Fund's objectives; and
 - (d) any other documentation as may be required by the Agency's guidelines.

13. Appraisal and Approval

- (1) The Agency shall appraise all applications for funding to ensure compliance with eligibility criteria and alignment with the Fund's objectives.
- (2) Following appraisal, the Director-General shall present a recommendation to the Committee for consideration and approval.
- (3) For significant disbursements, particularly those involving viability gap funding or large-scale project preparation, the Committee's approval shall be subject to the final approval of the State Executive Council.

MONITORING, EVALUATION, AND REPORTING

13. Monitoring and Evaluation

- (1) The Agency shall establish a robust monitoring and evaluation framework to track the utilization of the Fund and the progress and impact of the PPP Projects or activities supported by it.
- (2) Beneficiaries of the Fund shall submit regular progress reports to the Agency as specified in their funding agreements.

14. Financial Reporting and Audit

- (1) The Director-General shall ensure that accurate and complete financial records of the Fund are maintained in accordance with the financial rules and regulations of the State.
- (2) The accounts of the Fund shall be audited annually in accordance with the audit laws and regulations of the State.
- (3) The audited accounts and an annual report on the performance of the Fund shall be submitted to the Committee, the Governor, and the House of Assembly.

MISCELLANEOUS PROVISIONS

15. Power to Issue Guidelines

The Committee, with the approval of the Governor, may issue guidelines, circulars, and administrative instructions as may be necessary for the effective implementation of these Regulations.

16. Review of Regulations

This Regulation shall be reviewed periodically by the Committee to ensure its continued relevance and effectiveness in facilitating PPP Projects in the State.

17. Effective Date of the Regulation

This Regulation shall take effect immediately.

Dated this 1st day of **December** 2025

A handwritten signature in black ink, appearing to read "DANIEL OLUWADARE", is written over a blue circular stamp.

DIRECTOR-GENERAL

**OYO STATE INVESTMENT AND PUBLIC-PRIVATE PARTNERSHIP
AGENCY**