British
High Commission

TERMS OF REFERENCE
CALL FOR PROPOSALS
DEVELOPMENT OF CAPITAL MARKETS MASTERPLAN IN NIGERIA

1. Introduction

Financial Sector Deepening (FSD) Africa in partnership with the Securities and Exchange Commission, Nigeria (SEC or SEC Nigeria) wishes to contract a consultancy firm (the "Consultant") to support the development of a Capital Markets Master Plan ("CMMP") for the Nigerian Capital Markets (the "Services").

The Services will involve (among other things):

i. Extensive consultation with policymakers, industry participants and other capital markets stakeholders.
ii. Development of a 10-year CMMP.
iii. Development of a sequenced implementation plan (or road map) for the CMMP; and
iv. Development of a monitoring and evaluation framework for the Capital Markets Master Plan

2. Project Background

2.1. About the Securities and Exchange Commission, Nigeria

Securities and Exchange Commission Nigeria is the apex regulator of the Nigerian capital markets that derives its mandate from the Investment and Securities Act (ISA) 2025. SEC seeks to develop and regulate capital markets to ensure capital formation, protection of investors, maintenance of fair, efficient and transparent markets and reduction of systemic risks, that will positively impact on the country's national economic development

More about the SEC, Nigeria can be found here.

2.2. About FSD Africa

FSD Africa is a specialist development agency working to reduce poverty by strengthening financial markets across sub-Saharan Africa. Based in Nairobi, FSD Africa's team of financial sector experts work alongside governments, business leaders, regulators, and policy makers to design and build ambitious programmes that make financial markets work better for everyone. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government.

More details about FSD Africa can be found here.

2.3. Context and Rationale for the Assignment

In 2015, Nigeria took a bold step toward transforming its capital markets by launching a 10-year Capital Markets Master Plan (2015–2025). This plan laid out an ambitious vision to deepen and broaden Nigeria's markets, positioning them as a catalyst for national economic development.

The results were significant. Nigeria achieved full dematerialisation of share certificates, strengthened market integrity through the National Investor Protection Fund, and introduced a Corporate Governance Scorecard for listed companies. The recapitalisation of market operators improved industry resilience, and most recently, the enactment of the Investment and Securities Act (ISA) 2025) aligned Nigeria's regulatory framework with global best practices.

Yet, much has changed in the last decade. Today's capital markets face new opportunities and challenges. Technological innovation is redefining how markets operate, with digital platforms and fintech reshaping the investor experience. Sustainable finance has moved from a niche concept to a core agenda globally, creating opportunities for instruments like green bonds, social bonds, and climate-aligned investments. Nigeria also has untapped potential in Islamic finance, private markets, commodities trading and derivatives, which could mobilise significant pools of capital.

At the same time, macroeconomic realities—including foreign exchange volatility, inflationary pressures, and liquidity constraints—demand innovative solutions and stronger market confidence. These factors underscore the need for a forward-looking and adaptive strategy that not only consolidates past gains but also charts a path for Nigeria to become a regional financial hub.

The expiry of the current CMMP presents a critical moment to redefine Nigeria's capital markets for the next decade. The new master plan will:

- Align with Nigeria's National Development Plan (2021–2025), the Investments and Securities Act 2025 and other strategic priorities.
- Leverage lessons from the previous CMMP to ensure practical implementation.
- Address institutional and governance gaps.
- Incorporate international best practices and innovations tailored to Nigeria's context.
- Include an implementation framework for the seamless execution of the masterplan.

This assignment is therefore not just about producing a plan—it is about shaping the future of Nigeria's capital markets to unlock long-term financing for infrastructure, enterprise growth, and sustainable economic transformation.

3. Objectives and Scope

3.1. Project Objectives

The primary objective of this assignment is to develop a dynamic 10-year Capital Markets Master Plan (CMMP) that provides a clear, actionable roadmap for positioning Nigeria's capital markets as a key driver of economic growth and transformation. The CMMP must be practical, forward-looking, and aligned with Nigeria's national priorities and international best practices.

Specific Objectives

The assignment will focus on the following core objectives:

i. Review and Learn from the Past
    a. Assess the performance of the 2015–2025 CMMP, identifying what worked, what did not, and why.
    b. Extract lessons to ensure the new plan is realistic, implementable, and adaptable.

ii. Diagnose the Current State of the Market
    a. Analyse the legal, regulatory, and institutional environment.
    b. Assess market infrastructure, product range, and investor base.
    c. Identify impediments to market depth, liquidity, and inclusiveness.
    d. Undertake a Political Economy Analysis (PEA) to assess institutional incentives, relationships, and reform dynamics among key market actors. The PEA will map interests, influence, and coordination challenges, identify reform champions and potential resistance, and propose strategies to build consensus and mitigate political and institutional risks.

iii. Define the Future Vision
   a. Articulate a strategic vision and objectives for Nigeria's capital market for the next decade that will position it as a regional and continental financial hub.
   b. Ensure alignment with Nigeria's National Development Plan (2021–2025) and the Investment and Securities Act (ISA) 2025.

iv. Set Strategic Priorities and Actions
   a. Recommend reforms and innovations across:
      - Capital formation for priority sectors and market deepening.
      - Market infrastructure, technology and digital transformation.
      - Product diversification (e.g., Islamic finance, derivatives, private markets).
      - Sustainable finance and ESG integration.
      - Institutional capacity, governance and regulatory innovation.
      - Investor protection and financial inclusion.
      - Regional collaboration.

v. Develop an Actionable Roadmap
   a. Provide a sequenced implementation plan with clear roles, responsibilities (using a RACI matrix), indicative costs, and timelines.
   b. Recommend a governance structure to oversee and coordinate implementation.
   c. Identify key risks to implementation (political, institutional, market) and propose mitigation measures.

vi. Design a Monitoring and Evaluation Framework
   a. Develop KPIs and reporting tools to track implementation and measure impact.
   b. Align the framework with global best practices.

vii. Strengthen Institutional Capacity
   a. Develop a capacity-building and knowledge transfer plan to ensure SEC Nigeria and other market actors are equipped to sustain implementation of the CMMP.

3.2. <u>Scope of Work</u>

The Consultant will be required to engage in the following activities, with other closely related areas if they emerge during the course of the assignment:

Phase 1: Market Diagnostics and Alignment with National Development Plan

i. Conduct a comprehensive analysis of Nigeria's capital markets, including:
   a. Review of the 2015–2025 CMMP and its mid-term review.
   b. Identification of key successes, failures, and lessons learned.
   c. Assessment of the current market state: legal, regulatory, infrastructure, and product gaps.
   d. Comparative benchmarking with peer countries and international best practices.
   e. Review of relevant industry reports and analyses from stakeholders.

ii. Undertake a Political Economy Analysis (PEA) to assess institutional incentives, coordination challenges, and governance dynamics that may affect the design and implementation of the CMMP[1]. Alignment with the National Development Plan (2021-2025) and ISA 2025.

Phase 2: Stakeholder Engagement and Input Gathering

---

[1] Note: The Political Economy Analysis (PEA) will form a core part of Phase 1 deliverables, mapping stakeholder incentives, influence, and reform dynamics. Findings will directly inform the Market Assessment Paper, subsequent stakeholder engagement strategy and the CMMP implementation roadmap.

i. Engage with regulators, regulated entities, institutional investors, intermediaries, and industry associations to:
    a. Conduct structured interviews with at least 20–25 key institutions.
    b. Validate diagnostic findings from Phase 1.
    c. Identify stakeholder priorities, concerns, and proposed interventions.
    d. Map potential "champions" and high-level influencers.
ii. Organise an input-gathering workshop to:
    a. Confirm findings from the market assessment.
    b. Collect stakeholder input to inform CMMP design.

Phase 3: Draft CMMP and Consensus-Building

i. Develop the draft CMMP, including:
    a. Strategic vision and objectives.
    b. Strategic pillars and actionable initiatives.
    c. Integration of cross-cutting themes such as digitalisation, sustainable finance, Islamic finance, SME participation and a gender-responsive approach to capital market development.
ii. Circulate the draft CMMP for review by SEC Nigeria and key stakeholders.
iii. Organise a Consensus-Building Workshop to:
    a. Present the Draft CMMP and proposed implementation roadmap.
    b. Secure alignment on priorities, sequencing, governance structure, and next steps.

Phase 4: Finalisation, Implementation Roadmap, and Governance Framework

i. Incorporate feedback from the Consensus-Building Workshop and SEC Nigeria to finalise the CMMP.
ii. Develop a detailed implementation plan, including:
    a. Sequencing of initiatives (short-, medium-, and long-term)
    b. Indicative costs and financing options
    c. Roles and responsibilities using a RACI matrix (Responsible, Accountable, Consulted, Informed).
iii. Include a capacity-building and knowledge transfer plan to ensure SEC Nigeria staff are equipped with the skills and knowledge to sustain implementation beyond the consultancy.
iv. Recommend a governance structure for CMMP execution, including identification of key risks to implementation (political, institutional, and market-related) and proposed mitigation measures.

Phase 5: Monitoring and Evaluation (M&E) Framework

i. Development of a framework for monitoring and evaluating the impact of the CMMP, at the level of the plan itself and for the major interventions within the plan.
ii. Design of clear performance indicators for each major intervention
iii. Milestones and timelines for monitoring progress.
iv. Design reporting mechanisms and templates.

4. Timing and deliverables

The assignment will be carried out in 9 months.

Phase / Deliverable	Timeline	Cumulative Weeks
Project Initiation		
Kick-off Meeting and Stakeholder Alignment	Week 1	1
Inception Report (including detailed workplan, methodology, and stakeholder mapping)	Within 4 weeks	4
Monthly Progress Updates	Ongoing throughout the project	Monthly
Phase 1: Market Diagnostics and Alignment with National Development Plan		
Draft Market Assessment Report (including Political Economy Analysis [PEA])	Within 6 weeks after Inception Report	10
Final Market Diagnostics and PEA Report (integrating feedback from SEC Nigeria and FSD Africa)	Within 2 weeks after draft submission	12
Phase 2: Stakeholder Engagement and Input Gathering		
National Input-Gathering Workshop and Workshop Report – to validate the Market Assessment and gather stakeholder expectations on the CMMP.	Within 2 weeks after completion of Phase 1	14
Targeted Stakeholder Consultations (20–25 key institutions) to deepen feedback and test emerging ideas	Conducted immediately after the workshop in Weeks 14–16	16
Stakeholder Engagement Summary Report (consolidating workshop and bilateral engagement outcomes)	Within 2 weeks after engagements	18
Phase 3: Draft CMMP and Consensus-Building		
Draft Capital Markets Master Plan (CMMP) – strategic vision, pillars, and actions	Within 6 weeks after Stakeholder Engagement Report	24
Consensus-Building Workshop	Within 3 weeks of Draft CMMP	27
Consensus Workshop Summary Report	Within 2 weeks of Workshop	29
Phase 4: Finalisation, Implementation Roadmap, and Governance Framework		
Final CMMP	Within 6 weeks of Consensus Summary Report	35
Implementation Roadmap and Governance Framework	Within 3 weeks of Final CMMP	38

Phase 5: Monitoring and Evaluation (M&E) Framework		
Monitoring and Evaluation Framework	Within 2 weeks of Implementation Roadmap	39

5. Invitation to Submit Proposal

FSD Africa on behalf of the project partners is inviting tenders from suitably qualified consultancy firms. The proposal should contain:

- Names and CVs (maximum 3 sides of A4 paper each) of key individual(s).
- An outline of the team structure.
- A summary of your firm's teams and the firm's relevant experience in the securities industry and a proven track record on the kind of analysis called for in these terms of reference.
- Evidence of strong orientation to partnered development with national entities, and success in implementation of such plans after design in other assignments.
- A description of your firm's understanding of the role of the Consultant as outlined in these terms of reference, including methods of consultation to enable market ownership.
- A declaration that your firm upholds best practices of professionalism and is not conflicted, in any way whatsoever.
- A description of how your firm intends to fulfil the Services within the suggested timeline.
- Recommendations for changes and innovations which will enhance the results, and
- An itemised budget for both professional fees and reimbursable expenses, including fee rates, number of days and a breakdown of expenses – template below- Annex 1.

Submitted proposals should not exceed 10 pages (excluding annexures). Your proposal should be sent by email to FSD Africa at bids@fsdafrica.org by **12 noon (EAT) on or before 10 November 2025** under a subject line reading '**Call for Proposals: Development of Capital Markets Masterplan – Nigeria.**'

6. Basis of award

FSDA will award a contract to the consultant based on the following criteria:

Mandatory requirements
The firm must demonstrate direct experience in developing or independently reviewing a CMMP in Africa or other emerging markets within the last seven (7) years. The proposed Team Leader must have served as lead consultant on at least one such assignment with a Securities Markets Regulator.
The team must collectively demonstrate strong knowledge of Sub-Saharan African capital markets, including legal and regulatory frameworks, product development (equity, debt, and sustainable finance instruments), and political economy dynamics relevant to Nigeria's context.
The firm must demonstrate the ability to engage collaboratively and pragmatically with regulators, policy makers, and market operators to secure ownership and ensure high probability of implementation of the CMMP.
The firm must have the capacity to engage intensively in this assignment, with appropriate involvement of senior team members, and commit resources to deliver within the agreed timelines.

Indicative Skills and Team Composition

To ensure delivery of a comprehensive and actionable CMMP, the consultancy team is expected to demonstrate a balanced mix of technical, regulatory, and practical transaction expertise. The table below (Annex 2) sets out indicative skills and experience that FSDA and SEC Nigeria consider essential for this assignment.

These requirements are not prescriptive; rather, they provide guidance on the diversity of expertise and depth of experience expected within the team. Bidders are encouraged to propose the most suitable composition to deliver the assignment effectively, while ensuring that all critical areas are adequately covered.

Assessment criteria	Weighting (%)
Relevant, demonstrated experience and capacity of firm and proposed team in this area	30%
Understanding/interpretation of the task set out in the TORs • Quality of your proposed approach and methodology – 10% • Understanding/interpretation of the task set out in the terms of reference including a detailed work plan -15%	25%
Supplier's demonstration of sustainability value add: Bidders that demonstrate localisation, gender, environmental and ethical considerations will be assigned merit points/scored favourably compared to their competitors ; • Localisation: demonstrated use of African based consultants/team members - 5% • Gender – prioritisation of women & underrepresented groups -5% • Environmental safeguards and ethical considerations (a commitment to sustainability through eco-friendly practices, products/services as well as ethical practices such as fair treatment of employees)-5%	15%
Fee basis and total costs FS = 30% x LB/BP where: FS = is the financial score LB = is the lowest bid quoted BP= is the bid of the proposal under consideration. The lowest bid quoted will be allocated the maximum score of 30%. **Fee quoted must be inclusive of applicable withholding tax**	30%
Total	**100%**

7. <u>Contact</u>

Questions or comments in respect of these terms of reference should be directed by email to: bids@fsdafrica.org on or before **12 noon, 03 November 2025 (EAT)** and feedback will be provided by **05:00 pm, 05 November 2025 2025 (EAT)**

8. Applicable Taxes

As per Kenya's tax law, FSD Africa will pay the Consultant after withholding the appropriate taxes at the applicable rate between Kenya and the Consultant's country of tax residence, considering any tax treaties in force. It is the responsibility of the Consultant to keep themselves apprised of these applicable taxes. The below table however provides guidance on the applicable rates as per tax regimes.

Country	WHT Rate
Kenya	5%
United Kingdom	12.5%
Canada	15%
Germany	15%
India	10%
Non-resident rate for citizens of EAC member countries	15%
All other countries	20%

For countries with Double Taxation Agreements with the Kenyan government, the agreement will apply in the treatment of all applicable taxes.

Annex 1: Proposed Fee Schedule

Costs should be shown separately in the format set out below. Fees proposed by tenderers should be inclusive of all taxes

*Consultancy fees**	*Days*	*Fee USD/GBP*	*Total USD/GBP*
xx			
xx			
Total remuneration			***0.00***
*Reimbursement costs***	*Unit*	*Cost USD/GBP*	*Total USD/GBP*
xx			
xx			
Total reimbursement cost			***0.00***
Total proposed costs			***0.00***
**Fees incl of all taxes*			
***Expenses to be reimbursed on actual costs as per FSD Africa's travel policy*			

Annex 2: Indicative Consultant Team Skills and Experience

Role/Skill Area	Indicative Expertise Required	Rationale for Inclusion
Team Leader/Capital Markets Specialist	10+ years' experience leading capital markets strategy or masterplan assignments with regulators; proven delivery in Sub-Saharan Africa.	Ensure credibility with SEC and stakeholders; anchor for project delivery.
Political Economy Analysis (PEA) Expert	Experience conducting institutional and governance analysis in Nigeria or comparable markets; background in economics, public policy, or political science.	Assess institutional incentives, alignment challenges, and reform risks.
Legal/Regulatory Expert	Strong track record in securities law, regulatory frameworks, and ISA 2025 alignment.	Ensure reforms are embedded in Nigeria's legal/regulatory architecture.
Product/Transaction Specialist	Experience structuring equity and debt transactions (e.g., IPOs, bonds, securitisations); knowledge of listing processes and investor requirements.	Ensure recommendations are execution-ready and aligned with practical transaction pathways in Nigeria's markets.
Sustainable Finance & Innovation Expert	Experience in green, social, and Islamic finance instruments; market product development.	Respond to Nigeria's growing need for sustainable and diversified capital markets.
Market Infrastructure/Technology Specialist	Knowledge of trading, clearing, settlement systems, and digitalisation trends.	Ensure alignment with international best practice and digital transformation.
Monitoring & Evaluation Specialist	Proven ability to design M&E frameworks, KPIs, and impact measurement.	Guarantee robust monitoring of plan implementation.
Capacity Building & Knowledge Transfer Lead	Experience in institutional training and technical assistance for regulators.	Strengthen SEC Nigeria's ability to sustain reforms beyond consultancy.