



TERMS OF REFERENCE

CALL FOR PROPOSALS

MARKET STUDY ON THE EFFECTIVENESS OF THE CAPITAL MARKETS POLICY PROPOSALS AND INCENTIVES

1. Introduction

The Capital Markets Authority of Kenya (the Authority) has been receiving policy incentives from the national government which are intended at boosting growth, innovation and investor confidence. To inform strategic policy initiatives going forward, the Authority intends to conduct a study to establish the level of uptake for the incentives introduced in the Kenyan capital markets sector. The study will explore ways to make policies more favourable to spurring growth in the capital markets, such as simplifying access to capital, offering targeted financial literacy programs and ensuring more inclusive investment opportunities. The study also seeks to assess the impact of these policies and identify the factors hindering adoption.

To this effect, the Authority with the support of FSD Africa wishes to engage a consultant to carry out a market study on the effectiveness of capital markets policy proposals and incentives implemented since 2010.

The findings will inform improvements to regulatory frameworks, aiming to enhance inclusivity and ensure better participation from underrepresented groups, ultimately contributing to the development of a more dynamic and accessible capital markets.

2. Background

About the Capital Market Authority

The Authority is a statutory body established under the Capital Markets Act, tasked with overseeing, licensing, and promoting the development of Kenya's capital markets. The Authority's core mandate include; licensing and supervising capital markets intermediaries, ensuring compliance, promoting ethical conduct among market participants, among others.

More information on the Capital Markets is available [here](#).

About FSD Africa

FSD Africa is a specialist development agency established in 2012 by the UK Government working to make finance work for Africa's future. We work on the ground in over 30 African countries to mobilise "green plus" finance that will power economic and social development while delivering environmental gains and building Africa's resilience. We work on policy and regulatory reform, capacity strengthening and improving financial infrastructure, and addressing systemic challenges in Africa's financial markets to spark large-scale and long-term change.

More information on FSD Africa is available [here](#).



3. Project Objectives and Scope

3.1. Objective

The primary objective of this study is to carry out an in-depth assessment of the effectiveness and impact of capital markets policies and incentives introduced since July 2010 on market growth and development. This study will inform policy refinement to enhance market participation, boost investor confidence, and align with global best practices.

The study will focus on the following:

- Analysis of the effectiveness of the adopted policy interventions in facilitating the mobilisation of capital within the Kenyan capital market.
- Analysis of the effectiveness of the adopted policy interventions in strengthening investor protection, transparency and market integrity.
- Identification of regulator and policy gaps in Kenya's capital market and recommend targeted reforms, considering emerging issues such as technological innovations and the need for inclusive, adaptive regulation.
- Assessment of how the current policies and market structures influence financial inclusion and examine the existing barriers that limit the participation of youth, women and the aged in capital markets.
- Assessment of the extent to which climate-related risks and sustainability considerations are integrated into capital markets policies and propose innovations to support sustainable, green finance and climate-resilient investments.

3.2. Scope of work

The scope of work will cover the following areas.

- Engagement of stakeholders including market intermediaries, issuers of securities, the exchange, regulators, government at all levels, government agencies, investors and industry associations.
 - The Consultant, in collaboration with the project partners, will engage the public across all eight regions of Kenya to ensure broad input and inclusivity. Working closely with the Authority, the consultant will develop a comprehensive work schedule to ensure the effective execution of the following activities:
 - Regional stakeholder consultations
 - Focus group discussions (FGDs)
 - Public engagement forums and town halls meetings
 - Workshops

These activities are critical for collecting first-hand stakeholder insights and validating the practical impact of policies at the grassroots level, considering feedback from marginalised groups. The regional engagement exercise is a major deliverable and must be integrated into the project work plan.

- Identification and analysis of policy instruments, laws, and regulations that give effect to the existing capital markets incentives;
- Evaluation of the design, implementation and outcomes of each policy incentive;



- Conducting a national market study to gather qualitative and quantitative data on stakeholder experiences; and
- Preparation and presentation a final report with findings, conclusions, and actionable recommendations.

4. Timing and Deliverables

The assignment must be completed within 180 calendar days from the date of contract signing. The deliverables under this assignment are as follows:

Deliverables	Cumulative Timeline
Submission of an inception report outlining the methodology, work plan, timelines, and stakeholder engagement strategy	Within two (2) weeks of award of contract
Develop a stakeholder engagement plan, and conduct stakeholder engagement activities in line with the plan; feedback received from the stakeholder engagements should be documented	Within eight (8) weeks of award of the contract
Submission of a draft report, presenting preliminary findings on key policy & regulatory gaps identified and analysed, as well as recommendations for review and feedback	Within twelve (12) weeks of award of contract
Submission of a final report with validated findings, actionable recommendations, and supporting appendices	Within sixteen (16) weeks of award of contract
Final stakeholder engagement and dissemination event to share findings of the report with key stakeholders, and submit a report on all stakeholder engagement activities undertaken in the course of this project	Within twenty-four (24) weeks of award of contract

5. Invitation to Tender

FSD Africa and the Capital Market Authority are inviting proposals from suitably qualified consulting firms/individuals. The proposal should contain:

- CV (maximum 3 sides of A4 paper each) of key individuals tailored to the assignment.
- A detailed work plan and methodology with specific timeframes.
- A summary of your relevant experience for the assignment, including samples of at least three previous assignments in capital markets in emerging and frontier markets.
- Outline of team structure, including roles and responsibilities of team members.
- A brief description of your understanding of the role of the Consultant and the approach to be used as outlined in these Terms of Reference.
- An itemised budget for both professional fees and reimbursable expenses, including fee rates, number of days, and a breakdown of costs in the format set out under annex 1.

Submitted proposals should not exceed 10 pages (excluding annexures). The review will be based on the main proposal. This should be sent by email to FSD Africa via bids@fsdafrica.org on/before **12:00 PM (EAT) on 15 December 2025** under a subject line reading, **“Call for Proposals: Market Study on the**



Effectiveness of Capital Markets Policy Proposals and Incentives”. Applications received after the deadline will not be considered.

6. Basis of award

The same set of evaluation criteria will be applied consistently to all potential individual consultants/consulting firms when analysing both technical skills and experience in the selection process.

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

Mandatory requirements
The firm/individual must have undertaken at least 3 comparable assignments in the last 10 years on capital markets in emerging or frontier markets.
The firm/individual must have a proven record of strong capacity building skills, and demonstrable knowledge of capital markets.
Understanding/interpretation of the task set out in the terms of reference including detailed work plan. The proposal must be of high quality and demonstrate originality.
Experience in managing and executing complex multistakeholder and cross-sectoral projects in the financial sector

Selection will be made based on the following criteria:

Assessment criteria	Weighting (%)
Experience Relevant, demonstrated experience and capacity of firm or individual consultant and proposed team in conducting in-depth policy assessments in frontier markets. The firm/individual consultant should also have a good understanding of the Kenyan capital market.	30%
Approach and methodology - 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 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:	30%



Assessment criteria	Weighting (%)
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	
Total	100%

7. Contact

Questions or comments in respect of these terms of reference should be directed by email to: bids@fsdafrica.org on or before **12:00 PM (EAT) 05 December 2025** and feedback will be provided by **12:00 PM (EAT) 09 December 2025**.

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 table below 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 (member countries attached)	15%
All other countries	20%



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
<i>*Fees incl of all taxes</i>			
<i>**Expenses to be reimbursed on actual costs as per FSD Africa's travel policy</i>			