

## TERMS OF REFERENCE

### CALL FOR PROPOSALS

#### DEVELOPMENT OF THE SECOND KENYA CAPITAL MARKET MASTER PLAN

##### 1. Introduction

The Capital Markets Authority, Kenya (“CMA”) in partnership with FSD Africa, invites proposals from qualified consultancy firms (“the Consultant”) to support the development of the Second Capital Markets Master Plan (CMMP 2.0) for Kenya’s capital markets (“the Services”). The assignment will provide technical and strategic support to design a modern, actionable, and evidence-based roadmap that will guide capital markets development over the next decade.

The Services will involve (among other things):

- i. Extensive consultation with policymakers, regulators, market intermediaries, issuers, investors, and other stakeholders.
- ii. Development of a comprehensive 10-year CMMP 2.0 that is practical, forward-looking, and aligned with national priorities and international best practice.
- iii. Preparation of a sequenced and costed implementation framework and resource mobilisation strategy.
- iv. Design of a comprehensive monitoring, evaluation, and risk management framework.
- v. Development of a capacity-building and knowledge-transfer plan to support long-term execution.

##### 2. Project Background

###### 2.1. About CMA Kenya

The Capital Markets Authority is an independent public agency established under the Capital Markets Act, Cap 485A. It regulates and develops Kenya’s capital markets, including licensing and supervision of market intermediaries and issuers, and oversight of securities exchanges, central depositories, and other regulated persons.

Its core functions include: Regulating issuance of capital and commodities market products; Licensing and supervising capital markets and commodities market intermediaries and issuers; Ensuring proper conduct of licensed persons and market institutions; Promoting market development, innovation, and product diversification; Promoting investor education and public awareness; and Protecting investors’ interests.

More about CMA Kenya 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 and other partners including the Gates Foundation.

More details about FSD Africa can be found [here](#).

### **2.3. Context and Rationale for the Assignment**

The Capital Markets Master Plan 1.0 (2014–2023) was Kenya’s first comprehensive long-term strategy for capital market development, aligned with Vision 2030 and designated a flagship initiative in the 2nd and 3rd Medium-Term Plans. Over the CMMP 1.0 period, the Kenyan market recorded significant growth in market capitalisation, regulatory reforms, infrastructure modernisation, product diversification, and investor and issuer participation.

However, the operating environment has evolved, driven by:

- Digital transformation and innovation in financial markets.
- Rising opportunities in green/sustainable finance and alternative instruments.
- Heightened regional competition.
- The need to better align capital markets with national priorities such as Vision 2030, the Bottom-up Economic Transformation Agenda (BETA), and county-level development plans.

The expiry of CMMP 1.0, together with these developments, creates a strategic opportunity to design a **Second Capital Markets Master Plan (CMMP 2.0)** that:

- Aligns with current internal and external developments;
- Consolidates gains and addresses residual gaps from CMMP 1.0;
- Positions Kenya as a leading regional and continental financial hub;
- Deepens and diversifies capital markets to mobilise long-term financing for national and sectoral priorities; and
- Embeds resilience, innovation, sustainability, and inclusion in capital markets development.

This assignment is therefore not just about producing a plan but about shaping the next decade of Kenya’s capital markets as a critical driver of 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 Market Master Plan (CMMP 2.0) that strengthens Kenya’s capital markets, deepens market resilience, and positions the market as a leading regional and continental financial hub. The plan must be practical, evidence-based, and aligned with Kenya’s development priorities and international best practice.

#### **Specific Objectives**

The assignment will focus on the following specific objectives:

- i. Analysis of Lessons Learnt from CMMP 1.0 Performance
  - a. Assess the performance of CMMP 1.0 (2014-2023), identifying what worked, what did not, and why.
  - b. Draw insights that ensure CMMP 2.0 is feasible, sequenced, and grounded in realistic implementation pathways.
- ii. Diagnose the Current State of the Market
  - a. Assess the legal, policy, regulatory, institutional, and market infrastructure, and product landscape.
  - b. Evaluate market depth, liquidity, investor composition, product diversity, and competitiveness.

- c. Identify key impediments to growth, including structural, operational, and institutional constraints.
  - 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 and Strategic Direction
  - a. Articulate a strategic vision and objectives for Kenya’s capital market for the next decade.
  - b. Ensure alignment with Kenya’s national and regional policy frameworks including Vision 2030, BETA, AU Agenda 2063, EAC/EASRA strategies, and other national strategies.
  - c. Position Kenya competitively within regional and continental markets.
- iv. Set Strategic Priorities and Actions
  - a. Recommend strategic pillars, reforms, and priority actions across:
    - Market deepening and capital mobilisation for priority sectors.
    - Market infrastructure, digital transformation, and technological innovation.
    - Product diversification, including Islamic finance, private markets, virtual assets/tokenized securities and derivatives.
    - Sustainable finance, climate-related instruments, and ESG integration.
    - Institutional capacity, governance, and regulatory innovation.
    - Investor protection, financial literacy, and inclusive market participation.
    - Regional collaboration, interoperability, and cross-border opportunities.
- v. Develop an Actionable Implementation Roadmap
  - a. Provide a sequenced implementation plan with defined pillars, initiatives, milestones, responsibilities (using a RACI matrix), timelines and indicative costs.
  - 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, Evaluation and Risk Management Framework
  - a. Develop KPIs, targets, reporting tools, and adaptive mechanisms to track implementation and measure impact.
  - b. Integrate a risk-management framework to support timely course correction.
  - c. Align the frameworks with global best practices.
- vii. Strengthen Institutional Capacity
  - a. Develop capacity-building and knowledge transfer interventions to strengthen CMA and other market actors for sustained implementation of the CMMP 2.0.

### **3.2. Scope of Work**

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 Strategic Context**

- i. Conduct a comprehensive evaluation of CMMP 1.0 (2014-2023), including:
  - a. Identification of key successes, failures, and lessons learned.
  - b. An evaluation of the current legal, policy, regulatory, and institutional landscape.
  - c. Assessment of market infrastructure, product diversity, liquidity, investor depth, and competitiveness.

- d. Comparative benchmarking with peer countries, aspirational jurisdictions, including frontier and emerging jurisdictions.
- e. Review of relevant strategic documents, including but not limited to IOSCO EMDE guidance, AU Agenda 2063, EASRA Strategic Plan, Vision 2030, BETA, County Integrated Development Plans, and sectoral strategies for capital markets, pensions, insurance, Saccos, and banking.
- ii. Undertake a PEA to assess institutional incentives, coordination challenges, and governance dynamics that may affect the design and implementation of the CMMP 2.0.

### **Phase 2: Stakeholder Engagement and Input Gathering**

- i. Prepare a comprehensive stakeholder map and engagement plan.
- ii. Engage with stakeholders 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.
- iii. Organise an input-gathering workshop to:
  - a. Confirm findings from the market assessment.
  - b. Collect stakeholder input to inform CMMP 2.0 design.

### **Phase 3: Draft CMMP 2.0 and Consensus-Building**

- i. Develop the draft CMMP, including:
  - a. Refine the strategic vision, value proposition, objectives, and outcomes.
  - b. Clear strategic pillars, actionable initiatives and priority reforms.
  - c. Integration of cross-cutting themes such as digitalisation, sustainable finance, Islamic finance, SME participation and a gender-responsive approach and climate-aligned opportunities.
- ii. Develop and circulate the draft CMMP 2.0 for review by CMA 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 CMA and the Consensus-Building Workshop to finalise the CMMP 2.0 document.
- 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 CMA staff are equipped with the skills and knowledge to sustain implementation beyond the consultancy.
- iv. Recommend a governance structure for CMMP 2.0 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 and Risk Management**

- i. Develop a framework for monitoring and evaluating the impact of the CMMP 2.0, at the level of the plan itself and for the major interventions within the plan.
- ii. Design of clear performance indicators and targets for each major intervention.
- iii. Milestones and timelines for monitoring progress.
- iv. Design reporting mechanisms and templates.
- v. Develop a risk management framework identifying key risks and mitigation measures.

#### 4. Timing and deliverables

The assignment will be carried out within 12 months.

Phase / Deliverable	Timeline	Cumulative Weeks
<b>Project Initiation</b>		
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
<b>Phase 1: Market Diagnostics and Strategic Context</b>		
Draft CMMP 1.0 (2014-2023) Assessment Report (including PEA)	Within 6 weeks after Inception Report	10
Final Market Diagnostics and PEA Report (integrating feedback from CMA and FSD Africa)	Within 2 weeks after draft submission	12
<b>Phase 2: Stakeholder Engagement and Input Gathering</b>		
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
<b>Phase 3: Draft CMMP 2.0 and Consensus-Building</b>		
Draft CMMP 2.0 – 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
<b>Phase 4: Finalisation, Implementation Roadmap, and Governance Framework</b>		
Final CMMP 2.0 (publication ready document)	Within 6 weeks of Consensus Summary Report	35
Implementation Roadmap with indicative costing, resource mobilization plan, and Governance Framework	Within 3 weeks of Final CMMP	38
<b>Phase 5: Monitoring and Evaluation (M&amp;E) Framework and Risk Management</b>		

## 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](mailto:bids@fsdafrica.org) by **Thursday, 19 March 2026 at 12:00 p.m. EAT** under a subject line reading **‘Call for Proposals: Development of the Second Kenya Capital Markets Masterplan.’**

## 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 Kenya’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 2.0, 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 FSD Africa and CMA 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 <ul style="list-style-type: none"> <li>Quality of your proposed approach and methodology – 10%</li> <li>Understanding/interpretation of the task set out in the terms of reference including a detailed work plan -15%</li> </ul>	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 ; <ul style="list-style-type: none"> <li>Localisation: demonstrated use of African based consultants/team members - 5%</li> <li>Gender – prioritisation of women &amp; underrepresented groups -5%</li> <li>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%</li> </ul>	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%. <b>Fee quoted must be inclusive of applicable withholding tax</b>	30%
<b>Total</b>	<b>100%</b>

## 7. Contact

Questions or comments in respect of these terms of reference should be directed by email to: [bids@fsdafrica.org](mailto:bids@fsdafrica.org) on or before **Monday, 09 March 2026 at 12:00 p.m. EAT** and feedback will be provided by **Thursday, 12 March 2026 at 12:00 p.m. 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 regime

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

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

## Annex 2: Indicative Consultant Team Skills and Experience

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