



## TERMS OF REFERENCE

### DIAGNOSTIC ASSESSMENT OF THE UNDERUTILISATION OF THE EAST AFRICAN COMMUNITY (EAC) REGIONAL BOND ISSUANCE FRAMEWORK

#### 1. Introduction

The East African Securities Regulatory Authorities (EASRA) and FSD Africa seek to engage a qualified firm or consortium (the “Consultant”) to undertake a comprehensive diagnostic assessment of the underutilisation of the East African Community (EAC) Regional Bond Issuance Framework, established in 2015. Despite the framework’s aim of harmonising cross-border approval processes through a single-passport mechanism, no regional bond has been issued under it since its enactment.

The objective of this assessment is to identify the various factors including regulatory, operational, institutional, market, and gender and youth-related barriers that have hindered utilisation of the framework and to provide actionable, evidence-based recommendations to strengthen regional capital markets integration and facilitate future cross-border bond issuance across EAC Partner States.

The consultancy is expected to apply robust analytical methods, conduct multi-country stakeholder consultations, and benchmark against comparable regional frameworks globally.

#### 2. Background

##### **About EASRA**

EASRA is the coordinating body for securities regulators within the EAC. Its membership comprises the Capital Markets Authorities of Kenya, Uganda, Tanzania, Rwanda, and Burundi, and it is in the process of integrating regulators from the Democratic Republic of Congo, South Sudan, and Somalia.

EASRA promotes harmonisation of regulatory standards, facilitates information-sharing, undertakes joint capacity-building initiatives, and supports regional market development. A core mandate of EASRA is to advance capital markets integration, including through the adoption and implementation of regional frameworks such as the 2015 EAC Regional Bond Issuance Framework.

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

##### **About FSD Africa**

FSD Africa is a specialist development agency working to strengthen financial markets across Africa, with a focus on mobilising long-term finance for sustainable development. Headquartered in Nairobi and funded by the UK Government and other partners including the Gates Foundation, FSD Africa supports regulatory reform, capacity development, knowledge generation, and innovative investments that improve financial market efficiency, inclusivity, and resilience.



This assignment is supported under FSD Africa's Regulatory and Policy Support Programme, which seeks to address structural regulatory gaps, promote capital mobilisation, and advance gender and youth inclusive policy design.

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

### **3. Project Objectives and Scope**

#### **1.1. Objective**

The primary objective of this diagnosis is to assess the reasons for the non-utilisation of the EAC Regional Bond Issuance Framework and to develop actionable recommendations to revitalise and operationalise it. The assessment will generate an evidence-based foundation for future reforms to strengthen regional capital markets integration.

The diagnostic assessment will focus on the following:

1. Identify regulatory, operational, institutional, and market barriers that hinder utilisation of the framework.
2. Assess the effectiveness and practicality of the current framework structure, provisions, and implementation arrangements.
3. Map the issuance, supervisory, and approval processes at national and regional levels to determine points of friction or misalignment.
4. Evaluate issuer perspectives, including readiness, cost considerations, and incentives.
5. Analyse investor-side constraints, including liquidity, demand depth, and market confidence.
6. Assess gender and youth-related constraints within regulatory consultations, market development processes, and framework design.
7. Benchmark the EAC framework against comparable regional passporting regimes.
8. Develop clear, prioritised, and regionally harmonisable recommendations for reform, enhancement, or re-design.
9. Validate findings with regional stakeholders through workshops and peer-learning sessions facilitated by EASRA and FSD Africa.

#### **1.2. Scope of work**

The scope of work shall include, but not be limited to, the following thematic areas:

##### **1. Regulatory and Legal Analysis**

- Review of the 2015 EAC Regional Bond Issuance Framework, including all associated directives, guidelines, and operational provisions.
- Analyse the national laws, regulations, rules and disclosure requirements governing bond issuance across all EAC Partner States.
- Identify regulatory inconsistencies, duplications, or misalignments that undermine the intended passporting and mutual recognition mechanism.
- Assess the clarity and delineation of responsibilities among regulators, including the roles of the home regulator and host regulators in cross-border issuance.
- Examine the approval, supervisory, enforcement and disclosure processes to evaluate their compatibility with the regional framework.



## 2. Institutional and Operational Assessment

- Map and assess the operational processes used by securities regulators, stock exchanges, and central securities depositories (CSDs) for bond issuance and cross-border activities.
- Analyse market infrastructure interoperability, focusing on settlement cycles, CSD linkages, clearing processes, and information-sharing arrangements.
- Evaluate institutional capacity, including technical expertise, internal procedures, resourcing and readiness to implement and supervise a regional issuance framework.
- Identify operational bottlenecks that impede coordination and efficient cross-border approval.

## 3. Market and Issuer Readiness Assessment

- Assess issuer-related constraints, including awareness, incentives, disclosure readiness, internal processes, and cost considerations that affect willingness to issue under the regional framework.
- Analyse investor-side limitations, including liquidity conditions, institutional investor appetite, and secondary market depth.
- Review the perspectives and experiences of market intermediaries (investment banks, arrangers, legal advisors, rating agencies) on the practical usability of the framework.

## 4. Stakeholder Consultations

- Conduct structured stakeholder consultations across all EASRA member states, engaging Securities regulators, Stock exchanges and CSDs, Ministries of Finance, Potential issuers (corporates, financial institutions, sovereigns, Development Finance Institution (DFIs), Market intermediaries, Institutional investors e.tc.
- Facilitate regional validation workshops under EASRA to test preliminary findings and refine the recommended reforms.
- Ensure consultations are inclusive and reflect diverse stakeholder perspectives, including women, youth and underrepresented groups.

## 5. Gender and Youth Analysis

Integrate gender and youth considerations throughout the diagnostic to identify:

- Gender and youth gaps in regulatory engagement, participation, and representation.
- Structural barriers limiting women's and youth participation in capital market processes.
- Opportunities for regulatory inclusion.
- Provide actionable recommendations to strengthen gender and youth-responsive regulatory design, supervisory practices and market engagement.

## 6. Benchmarking and Comparative Review

- Benchmark the EAC regional bond issuance framework against relevant cross-border issuance models, such as European Union (EU) Prospectus Passporting Framework, Association of Southeast Asian Nations (ASEAN) Capital Markets Forum initiatives.
- Identify applicable lessons, operational design elements, and best practices that can inform enhancements in the EAC context.



## 7. Final Diagnostic and Recommendations

- Prepare a comprehensive diagnostic report that synthesises findings across all workstreams.
- Provide clear, prioritised and actionable recommendations for reforming, updating or operationalising the regional bond issuance framework.
- Develop a detailed implementation roadmap outlining sequencing, roles and responsibilities, capacity requirements, coordination structures, and resource implications.

The Consultant may propose additional analytical components or refinements where necessary to strengthen the diagnostic, subject to approval by FSD Africa and EASRA.

## 4. Timing and Deliverables

The below deliverables will be expected from the Consultant:

Deliverables	Cumulative Timeline
Project kick-off and inception report	Within four (4) weeks of award of contract
Submission of draft diagnostic assessment report	Within eight (8) weeks of award of contract
Submission of final diagnostic assessment report with key recommendations	Within twenty (20) weeks of award of contract
Stakeholder engagement and validation workshops	Within twenty-eight (28) weeks of award of contract
Publication and dissemination of final assessment	Within thirty-six (36) weeks of award of contract

## 5. Duration and Timelines

The Consultant is expected to execute the tasks under this scope of work within a maximum time frame of 36 weeks from the date of contract award.

## 6. Invitation to Tender

FSD Africa and EASRA are inviting proposals from suitably qualified consulting firms. 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.
- Samples of at least three previous assignments in capital markets in emerging and frontier markets.
- A financial proposal based on these Terms of Reference
- Full organisational details, including physical address, phone contacts, and emails.
- A copy of the Certificate of Incorporation
- A valid Tax Compliance Certificate

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 at [bids@fsdafrica.org](mailto:bids@fsdafrica.org) by noon (EAT) on **19 June**



**2026** under a subject line reading, “**Invitation to Tender: Diagnostic Assessment of the Underutilisation of the East African Community (EAC) Regional Bond Issuance Framework**”. Applications received after the deadline will not be considered.

## 7. Basis of award

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

Mandatory requirements
The consultant must have undertaken at least 3 comparable assignments in the last 10 years on capital markets in emerging or frontier markets.
The consultant must demonstrate knowledge of regulatory frameworks, legal structures, and institutional arrangements governing bond markets, including experience engaging with regulators, exchanges, and market infrastructure institutions.
The consultant must demonstrate direct experience in bond markets, cross-border market structures, or similar initiatives, clearly outlining their specific role and contributions in such assignments
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.

Selection will be made based on the following criteria:

Assessment criteria	Weighting (%)
<p><b>Experience</b></p> <p>Relevant, demonstrated experience and capacity of firm and proposed team in conducting in-depth policy assessments in frontier markets. The consultant should also have a good understanding of the East African Community.</p> <p>The same set of evaluation criteria will be applied consistently to all potential consultants/consulting firms when analysing both technical skills and experience in the selection process.</p>	30%
<p><b>Approach and methodology</b></p> <ul style="list-style-type: none"> <li>• Understanding/interpretation of the task set out in the TORs</li> <li>Quality and originality of your proposed approach and methodology – 10%</li> <li>• Understanding/interpretation of the task set out in terms of reference including a detailed work plan -15%</li> </ul>	25%
<p><b>Supplier’s demonstration of sustainability value add:</b></p> <p>Bidders that demonstrate localisation, gender and youth, environmental and ethical considerations will be assigned merit points/scored favourably compared to their competitors;</p> <ul style="list-style-type: none"> <li>• Localisation: demonstrated use of African-based consultants/team members - 5%</li> <li>• Gender – prioritisation of women, youth &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</li> </ul>	15%



Assessment criteria	Weighting (%)
practices such as fair treatment of employees)-5%	
Fee basis and total costs  $FS = 30\% \times LB/BP$ 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>

## 8. 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 **12 noon (EAT) 10 June 2026** and feedback will be provided by **5 pm (EAT) 12 June 2026**

## 9. 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%

### Additional notes

#### 1. Payment

All fees quoted shall be gross amounts and inclusive of all applicable taxes. FSD Africa is required by law to deduct withholding tax where applicable from each payment according to the prevailing statutory rate.

#### 2. No Tax Gross-Up

In the case where there is no Double Taxation Agreement in place between the Consultant's country of



residence and Kenya, it will be for the Consultant to decide if they need to gross up their fee to accommodate subsequent withholding tax deduction. They should understand that this extra cost may make their bid uncompetitive. Consultants are responsible for costing and including such calculations within their financial proposal.

### **3. Double Taxation Agreement (DTA)**

It is the responsibility of consultants to keep themselves informed of current withholding tax arrangements between Kenya and the Consultant's country of residence. Where a Double Taxation Agreement exists, reduced WHT rates may apply, and any withholding tax deducted may be used to offset against a consultant's future tax submissions within that country of residence. Lower WHT rates will apply subject to the limitation of benefits requirements.



**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>			