

TERMS OF REFERENCE

CALL FOR PROPOSALS

DEVELOPMENT OF A SADC CAPITAL MARKET ASSESSMENT

1. **Introduction**

FSD Africa, in partnership with the Committee of Insurance, Securities and Non-Bank Financial Authorities (CISNA), seeks to contract a consultancy firm (the “Consultant”) to undertake a Capital Market Assessment for the Southern African Development Community (SADC) region (the “Services”).

The purpose of the assignment is to provide a comprehensive overview of the current state of capital markets in the SADC region and identify key drivers and constraints affecting their development, including linkages with the broader non-bank financial sector. The findings will inform future initiatives aimed at strengthening capital markets in the region, including the development of a SADC Capital Market Master Plan.

2. **Project Background**

2.1. **About CISNA**

CISNA was established in 1998 pursuant to Annexure 10 of the SADC Protocol on Finance and Investment. It is a committee of authorities responsible for the supervision of insurance, securities, and non-bank financial institutions (NBFIs) across SADC Member States. CISNA operates within the Directorate of Finance, Investment and Customs of the SADC Secretariat and reports to the SADC Committee of Ministers of Finance and Investment through the Committee of Senior Treasury Officials. CISNA promotes cooperation among regulators in the region and supports initiatives aimed at strengthening regulatory frameworks, enhancing supervisory capacity, and fostering the development of capital markets and other non-bank financial sectors in the SADC region.

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

2.2. **About FSD Africa**

FSD Africa is a specialist development agency established in 2012. It works to strengthen financial markets across Africa and mobilise long-term finance for sustainable and inclusive development. Based in Nairobi, FSD Africa works with governments, regulators, industry associations and market actors to support policy and regulatory reform, capacity development, market infrastructure strengthening and knowledge generation aimed at addressing systemic barriers to financial sector development. FSD Africa is funded by the UK Government and other partners, including the Gates Foundation.

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

2.3. **Project Context**

A facilitative legal and policy framework provides the foundation for an enabling capital market environment in which capital market activity can thrive. Across Sub-Saharan Africa, many countries are working to strengthen regulatory frameworks, deepen capital markets, and mobilise long-term capital to support economic development.

In the SADC region, capital markets have developed unevenly across Member States, with significant differences in market size, liquidity, institutional participation, and market infrastructure. While some markets have relatively established exchanges and institutional investors, others remain at an early stage of development.

At the same time, the region holds significant pools of long-term savings through pension funds, insurance institutions, and other non-bank financial institutions. Capital markets represent a critical channel for mobilising these resources, by connecting household and institutional savings to long-term productive investment and thereby supporting the region's efforts to reduce dependence on external financing and enhance fiscal and developmental sustainability. As such, capital market development is closely linked to the broader development of the non-bank financial sector.

In 2024, CISNA resolved to undertake a regional assessment to better understand the level of development of capital markets and the position of securities markets and their regulators across SADC Member States. This assessment will address an existing knowledge gap and provide an evidence-based foundation for the development of a SADC Capital Market Master Plan aimed at strengthening capital markets and mobilising long-term capital in the region.

3. Objectives and Scope

3.1. Project Objectives

The primary purpose of the assignment is to undertake a Capital Market Assessment for the SADC region. The assessment will examine the current state of capital markets and the broader non-bank financial sector, including the regulatory and institutional frameworks governing these markets and the key drivers and constraints affecting their development.

The report should also include a high-level scoping of opportunities for private capital mobilisation to support priority development sectors in the region, including areas such as climate-smart technologies, agricultural innovation, health technologies and systems, and financing for MSMEs. This includes opportunities for harness alternative investment instruments to mobilise and effectively deploy long-term capital across the regional capital markets in an evolving operating environment.

Specific objectives include:

- i. Assessment of the structure and developments in macroeconomic parameters that could have a bearing to capital market growth.
- ii. Assessment of the structure and functioning of capital markets and related non-bank financial sectors.
- iii. Assessment of the structure and level of development of capital markets across SADC Member States, including equity and debt markets and their role in supporting long-term financing needs.
- iv. Assessment of the development of local currency bond markets across SADC Member States, including government securities markets, yield curve development, secondary market liquidity, and the institutional and infrastructural foundations for corporate bond issuance.
- v. Review of legal, regulatory, and institutional frameworks governing capital markets and related non-bank financial sectors across SADC Member States.
- vi. Assessment of regulatory coordination mechanisms across SADC Member States, including benchmarking against international standards such as the IOSCO Core Principles, and evaluation of supervisory capacity and enforcement effectiveness.
- vii. Assessment of domestic and cross-border capital market infrastructure, including trading, clearing, settlement, reporting and custody arrangements, interoperability across jurisdictions, and the role of central counterparties (CCPs) and trade repositories (TRs) in enhancing market transparency and development.

- viii. Assessment of the demand and needs of institutional investors, including pension funds and insurance institutions, their role in mobilising and allocating long-term capital and their expectations from localised investment options.
- ix. Assessment of demand-side dynamics, including cultural attitudes towards capital markets, levels of financial literacy, and participation by different demographic groups, including women and youth.
- x. Examination of other non-bank financial institutions, including credit unions and cooperative financial institutions, and their linkages with capital market development.
- xi. Identification of key structural drivers and constraints affecting capital market development in the region.
- xii. Identification of structural constraints and opportunities affecting regional integration, including taxation differences (e.g. withholding taxes and capital gains tax), exchange control regimes, currency convertibility risks, legal enforceability across jurisdictions, variations in regulatory capacity, and opportunities for regulatory harmonisation across SADC member states
- xiii. Identification of potential areas and instruments through which private capital could be mobilised to support priority development sectors.
- xiv. Assessment of digitalisation and financial innovation opportunities, including virtual assets and tokenisation, fintech models, digital inclusion, emerging technologies, and associated cyber-security risks and mitigation measures.
- xv. Assessment of sustainable finance instruments and their relevance to capital market development in the SADC region, including green bonds, social bonds, sustainability-linked bonds, and transition bonds.

3.2. Scope

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:

i. Desk Research

Desk research to assimilate the most relevant existing diagnostic work on the state of capital markets and the broader non-bank financial sector across SADC Member States.

Documents to be reviewed may include the following, among other relevant research and analyses:

- a. Financial sector assessments, government policy statements, national development plans, and other economic research and analyses relevant to capital market and financial sector development.
- b. Capital market regulatory frameworks, market development strategies, and related policy documents from SADC Member States and other relevant jurisdictions.
- c. Industry reports and analyses from regulators, stock exchanges, central securities depositories, clearing houses, central counterparties and trade repositories, institutional investors, financial sector associations, and development partners.
- d. CISNA and SADC Secretariats diagnostic exercises / feasibility studies.

ii. Stakeholder Interviews

- a. Conduct in-depth, structured consultations with key stakeholders across SADC Member States. These may include regulators, stock exchanges, central securities depositories, clearing houses, central counterparties and trade repositories, institutional investors, financial intermediaries, government institutions, and industry associations.
- b. Stakeholders should explicitly include central banks, regional bodies, development finance institutions (DFIs), donor agencies, and relevant regional groupings (e.g. COSSE, ESSAMLG, CCBG), leveraging existing CISNA structures where appropriate to strengthen coordination and Member State ownership.

- c. The Consultant should promote inclusive participation in stakeholder consultations and seek to ensure that women represent at least 30% of participants where feasible. Gender and youth inclusion considerations relevant to participation in capital markets and the broader non-bank financial sector should also be reflected in the assessment.

iii. *Market Assessment Report*

- a. Preparation of a SADC Capital Market Assessment Report, building on the desk research and stakeholder consultations and supplemented, where necessary, by additional primary research.
- b. The report should provide a comprehensive overview of the current state of capital markets and the broader non-bank financial sector in the region, including the enabling environment, macroeconomic context, financial market infrastructure, and the supply and demand dynamics affecting capital market development.
- c. The assessment should also include comparative benchmarking of capital market development in the SADC region against relevant frontier and emerging market jurisdictions, as well as a high-level scoping of opportunities for private capital mobilisation to support priority development sectors in the region.
- d. The assessment should, where relevant, consider gender and youth inclusion dimensions affecting participation in capital markets and the broader non-bank financial sector.
- e. The assessment should include a high-level, prioritised implementation roadmap (short-, medium-, and long-term), supported by indicative KPIs and a monitoring framework to enhance usability of findings.
- f. The assessment should consider differentiated or tiered approaches to capital market development and integration, reflecting varying levels of market maturity across SADC Member States

iv. *Consultative Seminar/Workshop*

Organisation of a consultative workshop with key stakeholders to present and discuss the findings of the market assessment and gather feedback to inform the final report.

v. *Capacity building*

Throughout the assignment, the Consultant should identify key capacity constraints and capacity-building priorities affecting regulators and market participants and propose approaches to strengthen cross-border cooperation among SADC Member States.

vi. *Final Report*

Preparation and submission of the final SADC Capital Market Assessment Report, incorporating feedback received from stakeholders. The final report should meet international standards and be benchmarked against relevant international good practice.

4. **Timing and Deliverables**

The assignment will be carried out over six (6) months from the date of contract award.

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		
Draft SADC Capital Market Assessment Report	Within 8 weeks after acceptance of Inception Report	12
Phase 2: Stakeholder Engagement and Validation		
Regional stakeholder validation workshop	Within 2 weeks after delivery of Draft Market Assessment Report	14
Stakeholder Engagement Summary Report (consolidating workshop and bilateral engagement outcomes)	Within 2 weeks after regional engagements	16
Phase 3: Finalisation of Market Assessment Report		
Final SADC Capital Market Assessment Report (incorporating stakeholder feedback)	Within 8 weeks after Stakeholder Engagement Report	24

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 the firm's and proposed team's relevant experience in the securities industry and non-bank financial institutions as well as a proven track record of undertaking assignments similar to those called for in these terms of reference.
- Evidence of strong orientation to partnered development with national entities, and experience delivering similar analytical or diagnostic assignments for regulators or development institutions.
- 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 **noon (EAT) on or before 9 July 2026** under a subject line reading '**Call for Proposals: Development of Capital Market Assessment - SADC.**'

6. Basis of Award

FSD Africa 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 capital market assessments or similar financial sector diagnostic studies 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 market regulator.
The team must collectively demonstrate strong knowledge of Sub-Saharan African capital markets, including legal and regulatory frameworks, product development (equity and debt markets), and the broader non-bank financial sector, as well as political economy dynamics relevant to the SADC region.
The firm must demonstrate the ability to engage collaboratively and pragmatically with regulators, policymakers, and market operators to support the development of a robust and credible market assessment.
The firm must have the capacity to engage intensively in this assignment, with appropriate involvement of senior team members, and commit the necessary resources to deliver within the agreed timelines.

Indicative Skills and Team Composition

To ensure delivery of a comprehensive and robust Market Assessment Report, the consultancy team is expected to demonstrate a balanced mix of technical, regulatory, and practical financial sector expertise. The table below (Annex 2) sets out indicative skills and experience that FSD Africa and CISNA 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"> • 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: <p>Bidders that demonstrate localisation, gender, environmental and ethical considerations will be assigned merit points/scored favourably compared to their competitors.</p> <ul style="list-style-type: none"> • 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 <p>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.</p>	30%

Assessment criteria	Weighting (%)
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 noon, 01 July 2026 (EAT)** and feedback will be provided by **05:00 pm, 03 July 2026 (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.

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

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>			

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, diagnostics, or market assessment assignments with regulators; proven delivery in Sub-Saharan Africa.	Ensure credibility with CISNA and regional stakeholders; anchor for project delivery.
Political Economy Analysis (PEA) Expert	Experience conducting institutional and governance analysis in Sub-Saharan Africa or comparable markets; background in economics, public policy, or political science.	Assess institutional incentives, alignment challenges, and reform risks affecting capital market development.
Legal/Regulatory Expert	Strong track record in securities law and regulatory frameworks governing capital markets and non-bank financial institutions.	Ensure analysis reflects the legal and regulatory architecture across SADC Member States.
Product/Transaction Specialist	Experience structuring equity and debt transactions (e.g., IPOs, bonds, securitisations); knowledge of listing processes and investor requirements.	Provide practical insights on capital market instruments and market development pathways.
Sustainable Finance & Innovation Expert	Experience in green, social, or sustainable finance instruments and market product development.	Reflect growing demand for sustainable and diversified capital market instruments in the region.
Market Infrastructure/Technology Specialist	Knowledge of trading, clearing, settlement systems, capital market digitalisation trends, and emerging technologies such as distributed ledger technology, tokenisation, digital assets, and decentralised finance.	Ensure the assessment reflects international best practice and emerging technological developments shaping capital markets.