



REQUEST FOR AN EXPRESSION OF INTEREST (REOI)

CONSULTANCY TO CONDUCT A STUDY ON
AFRICA AS A DOMICILIATION JURISDICTION FOR
INVESTMENT VEHICLES AND FUNDS

The Mastercard Foundation (the “Foundation”) invites qualified consultancy firms and/or individuals, and/or consortiums (“Contractor”) to express their interest in the above consultancy work.

1 BACKGROUND

1.1 ABOUT MASTERCARD FOUNDATION

The Mastercard Foundation works with visionary organizations to enable young people in Africa and in Indigenous communities in Canada to access dignified and fulfilling work. It is one of the largest private foundations in the world with a mission to advance learning and promote financial inclusion to create an inclusive and equitable world. The Foundation was created by Mastercard in 2006 as an independent organization with its own Board of Directors and Management.

Through our abled and valued partnerships with over 200 partners in African and over USD 6bn in commitments, we are currently implementing programs in over 30 countries across the continent that:

1. Increase access to education and relevant skills training.
2. Improve financial inclusion.
3. Enhance access to health and sanitation; and
4. Promote youth entrepreneurship across Africa.

1.2 YOUNG AFRICA WORKS

In 2018, Mastercard Foundation launched a new strategy, Young Africa Works, with a goal of enabling 30 million young women and men in Africa to find dignified and fulfilling work by 2030, out of which 70% will be young women.

We are delivering our Young Africa Works strategy via three distinctive but integrated platforms:

- **Country programs** which will be single-country programs focused on country-specific economies and interventions specifically designed in line with country strategies.
- **Pan-African Programs** which will be multiple-country initiatives which can drive systematic change across the continent through interventions in specific and integrated sector areas.
- **Human Capital Development Programs** which will be multi-country programs focused on driving systematic, transformational, and sustainable change across the continent through the development of human capacity and capabilities (health, education and skills, and inclusion).

2 CONTEXT

The Mastercard Foundation (the Foundation) has developed an innovative impact fund-of-funds (FoF) initiative, the Mastercard Foundation Africa Growth Fund, sourcing from the Young Africa Works strategy to invest in Africa-focused, local investment vehicles targeting small and medium enterprises (“SMEs”) in the seven Young Africa Works countries (Ghana, Nigeria, Senegal, Kenya, Rwanda, Ethiopia and Uganda) and more broadly across sub-Saharan Africa, paired with business development services for the portfolio companies of the investment vehicles.

2.1 THE MASTERCARD FOUNDATION AFRICA GROWTH FUND (“the Fund”)

The Mastercard Foundation Africa Growth Fund (“the Fund”) is designed to elevate and diversify the number and reach of local investment vehicle managers creating market appropriate instruments for growth-oriented SMEs in Africa. This Fund is an initiative of the Mastercard Foundation and a consortium of partners led by the Mennonite Economic Development Associates (MEDA). The mandate of the Fund is to be truly catalytic, by crowding in the much-needed additional capital for African entrepreneurs, by strengthening and de-risking African IVs that are committed to advancing gender equity in entrepreneurship. The overarching goal of the Fund is to bring systemic change in the impact investing ecosystem and capital market by improving the competitiveness of the African continent while ensuring inclusive growth.

2.2 FUND DOMICILIATION AND JURISDICTION

The first step for any fund manager is to select a suitable fund domicile. The domiciliation landscape is evolving driven by regulations, tax, the jurisdiction reputation, the investors criteria, the macroeconomic changes etc. A growing number of African developing economies are establishing IVs and Funds that invest in domestic projects/funds and SME funds.

The Foundation has a firm belief that “Domiciliation” is a key enabler to influence, shift attitudes and practical conditions in the business environment, and if IVs and FMs have the options to domicile in Africa this can increasingly unlock opportunities for driving capital on the continent. In addition, the increased publicity and scrutiny associated with capital and investments can also contribute to improve the African financial and jurisdiction ecosystem, corporate governance and consequently the socio-economic and business growth across the African continent.

3 ASSIGNMENT OBJECTIVE

There is little literature on the domiciliation, establishment and operations of IVs and Funds on the African continent. The Mastercard Foundation is keen to synthesize evidence in a comprehensive practical guide to provide alternate choices for IVs and Funds to choose Africa as their next preferred domiciliation destination.

The objective is to map out and profile the options open to Africa-based fund managers and investment vehicles to crowd in international and domestic private capital, by deepening domiciliation on the African continent.

The study will provide a deep analysis of the factors that influence the decision-making process of IVs and FMs (local, regional, and international IVs and FMs, international DFIs, Investors, private and public etc.), including legal and regulatory considerations, tax implications, market access, and investor preferences.

4 SCOPE OF WORK

The selected Contractor will conduct a comprehensive analysis of the various options available to IVs and FMs for domiciliation in Africa, the potential benefits, and drawbacks of different domiciliation choices. The study will develop a reference framework for the various

options available to IVs and FMs for domiciliation, with a specific focus on how these choices impact the flow of private capital to the African continent.

Specifically, the selected Contractor will be responsible for providing the following services:

1. Conduct a comprehensive study together with a detailed guide on the various choices available to IVs regarding domiciliation in Africa, to provide a deep understanding on how domiciliation can influence capital flow, with a list of the domiciliation options available in the context of African jurisdiction.
2. Conduct a comparative study of existing choice of jurisdiction in Africa with the pros and cons.
3. Map out the different types of funds, and fund structure options available and explore the emerging global trends in fund domiciliation and capital raising, particularly as a route for impact investing, and risk capital in general into the wider African continent, balancing regulation, governance, cost, and innovation.
4. Carry out a comprehensive evaluation of the impact of domiciliation and jurisdiction on attracting international and domestic private and institutional capital to the African continent, with specific focus on the different sectors and industries that could benefit from this.
5. Identify the major constraints to access long-term international and institutional capital (DFIs, Pension funds, investors etc.) for African IVs and FMs if they domicile in Africa.
6. Conduct a study of the relevant stakeholders of the Impact Investing ecosystem (the international DFIs, pension and sovereign funds, and investors, Private Financial Institutions etc.) on why Africa does not seem to be the preferred jurisdiction for domiciliation of Funds.
7. Conduct a comparative cost study of the domiciliation options (setup and annual costs) in the different geographies (both international and on the African continent), with the regulatory framework and legal implications of setting-up.
8. Provide a summary of the new possibilities for deepening domiciliation/jurisdiction in Africa, including the potential benefits of regional integration, harmonization and improvements needed on existing regulatory frameworks.
9. Provide recommendations for policymakers, regulators, and investors on how to leverage the findings of the study to enhance IVs domiciliation and jurisdiction in Africa and attract more private capital to the continent.
10. Provide recommendations to influence the wider impact investing sector on why Africa can be a preferred domiciliation for IVs and Funds.
11. Develop an action plan for addressing the constraints identified, distinguishing between the short-and longer-term measures, and draft a tool for stimulating dialogue on reform measures for improving IVs' access to long-term financing.
12. Conduct validation workshops in selected countries across Africa to deepen the research findings with key networks and stakeholders.
13. Present a draft report and arrange for an interactive presentation with the Foundation and representatives on the findings and collate feedback into a summary report.
14. Submit a Final Report and an Executive Summary on all the work (pre-during-post) conducted during the study namely, including presentations, meeting summaries, comments on regulatory framework and stakeholder engagement.

4.1 DELIVERABLES

The following are the expected deliverables of the Assignment:

1. Validation workshops.
2. A draft presentation of findings to the Foundation.
3. A summary of feedback from the Foundation and partners on the draft report.
4. A final report, which should incorporate the feedback from the draft presentation stage, and include recommendations, action plans and key factors to influence the domiciliation ecosystem.

The final report should include:

- An analysis of emerging global trends in fund domiciliation and capital raising, with a focus on private equity impact investing in Africa, considering factors such as regulation, governance, cost, and innovation.
- A Heatmap profile – with clear parameters of each domiciliation status in Africa.
- A comparative cost study of domiciliation in different geographies, including an analysis of regulatory frameworks and legal implications.
- A list and comparison of the pros and cons of an IV that domiciles in more than one jurisdiction, with an examination of how a feeder fund approach could provide a solution.
- A synthesis of available evidence on the establishment and operation of funds, including best practices, case studies, and recommendations for future action.
- An investigation into why Africa is not the preferred jurisdiction for fund domiciliation and a discussion of the major constraints to access long-term international capital for African IVs and FMs if they domicile in Africa.
- A detailed mapping of different types of funds and fund structures, a comparative study of existing jurisdiction choices globally and in Africa, and an assessment of their advantages and disadvantages. This study should also have the detailed information on the status of each domiciliation (For example: Mauritius – from placed on the grey list in 2018, to the increased monitoring AML/CFT process and 2021 status of exiting the Financial Action Task Force (FATF)/EU Grey list).

5 EXPERIENCE AND QUALIFICATIONS

The Consultant should be able to deliver through related or partner firms in sub-Saharan Africa, with operations and offices in/across Africa.

International firms are encouraged to partner with strong regional/local firms to demonstrate field delivery capability and the networks needed to obtain relevant information for the Assignment.

The Consultant should provide a strong project team with suitable expertise and in addition:

- The Team of experts should be gender diverse.
- Demonstrate deep practical experience in fund domiciliation and in impact investing with a strong knowledge of the African context, the regulatory frameworks, and the nuances of the ecosystem.

- Have a strong track record in the provision of advice on the establishment/domiciliation of Funds, particularly in the African-country context.
- Demonstrable experience in conducting feasibility studies, research, financial data governance, developing business plans and financial models.
- Extensive networks of contacts and experience in conducting interviews and focus groups with governments, regulators, and impact investing ecosystem.
- Demonstrated balance of international and local experience and expertise (e.g., at least one reputable local consultant as part of the team) in domiciliation, jurisdiction and/or capital markets.

6 DURATION OF SERVICE

The duration for the completion of the Assignment shall be no longer than **three (3) months**. The Assignment is expected to **commence one (1) week after the contract has been awarded**.

7 APPLICATION AND SUBMISSION

7.1 APPLICATION

Interested Consultants are required to prepare an Expression of Interest (EOI) of **no more than 10 pages** (excluding annexes), including but not limited to the information outlined below.

- A. Firm Summary (1 page maximum)
- B. Statement of Interest and Experience (2 pages maximum). Why is the Firm interested in the Assignment and what is the Firm's experience with similar Assignments? How is the Firm's service(s) or practice(s) relevant to the Assignment?
- C. Understanding of the Assignment objectives and the scope of work as outlined in the REOI, including comments on the REOI (if any) - 2 pages maximum. **(Please do not repeat/copy the REOIs scope of work here.)**
- D. The technical approach, and the methodology the Firm would adopt for implementing the tasks to deliver the expected output(s)- 3 pages maximum. **(Please do not repeat/copy the TORs here.)**
- E. Description of Team structure and composition (2 pages maximum). CVs of principal consultants for the Assignment may be provided as an Annex (limit to 3 pages per CV).

7.2 PROCUREMENT GUIDELINES

Applicants will undergo a two-step application process as stated below:

The first stage will involve a review of the REOI by an Evaluation Committee.

1. Following this, shortlisted applicants that meet the criteria will be invited to submit a full proposal with comprehensive aspects of the research assignment.
2. In the event that the Evaluation Committee of the Foundation is unable to identify a suitable Contractor from the pool of applicants, the Foundation reserves the right to

make appropriate internal arrangements to ensure that the Contractor representation is suitable to deliver on the Assignment.

7.3 SUBMISSION

The REOI must be submitted in **PDF format** via email to Mercy Mutua, Head Access to Finance, Mastercard Foundation mmutua@mastercardfdn.org ; cc Vymala Thuron, Deputy-Chief of Party Mastercard Foundation Africa Growth Fund vthuron@meda.org

The subject of the e-mail should be: **“REOI - CONSULTANCY TO CONDUCT A STUDY ON AFRICA AS A DOMICILIATION JURISDICTION.”**

The deadline for submissions is **May 5, 2023, 4:00 p.m. GMT. Applications submitted after the deadline will not be considered for further review.**

8 EVALUATION CRITERIA

Expressions of Interest will be evaluated using the following criteria:

CRITERIA	POINTS
Firm summary, including demonstrable balance of international and local experience and expertise.	10
Demonstration of relevant experience conducting feasibility studies and research.	10
Understanding of the Assignment objectives and scope of work	10
Specific expertise and experience in conducting similar research, including strong track record in the provision of advice on the establishment/domiciliation of Funds, particularly within the African context.	20
Proposed approach to the Assignment, clearly outlining how the approach will lead to the expected deliverables/output.	30
Team structure and composition, clearly highlighting the experience of the core team for the Assignment.	20
Total	100

8.1 TECHNICAL EVALUATION

The minimum technical score required to pass is 80 points. Bids not reaching 80 points shall **NOT** be considered.

9 CONFIDENTIALITY

All materials produced or acquired under this project shall be held in strict confidence and shall not be disclosed to any party whatsoever without the express written consent of the Mastercard Foundation.

10 ACRONYMS

AML	Anti Money Laundering
BDS	Business Development Services
CFT	Combating the Financing of Terrorism
DFI	Development Finance Institutions
EU	European Union
FATF	Financial Action Task Force
FM	Fund Manager
FoF	Fund of Funds
IV	Investment Vehicle
Mastercard Foundation	The Foundation
MEDA	Mennonite Economic Development Associates
Mastercard Foundation Africa Growth Fund	The Fund
REOI	Request for Expression of Interest
SMEs	Small and Medium Enterprises
TORs	Terms of Reference

ANNEX A: TERMS & CONDITIONS - DISCLAIMER

While the information and supporting material provided (the 'Information') have been prepared in good faith, the information does not purport to be exact or comprehensive. Neither the Mastercard Foundation nor its advisors, board members, directors, partners, employees, consultants, or other staff members, and agents; and those who specifically contributed to the preparation of this REOI, make any representation as to the accuracy or completeness of Information, nor shall any individuals at the Foundation be liable for any loss or damage arising as a result of reliance on such information. Any person planning to submit Phase A documents (Expression of Interest Template, High-Level Budget, and High-Level Organizational Questionnaire) following receipt of the Request for Expression of Interest (REOI) should make an independent assessment of the Mastercard Foundation and documented requirements.

The Foundation will not be liable or responsible to any person in relation to any inaccuracy, error, omission or misleading statements contained in this Information, will not be liable or responsible to any person in relation to any failure to inform any person of any inaccuracy, error, omission or misleading statement contained in such Information of which it becomes aware after the date of release of that Information. The Foundation shall not be liable to any person for any damages, losses, costs, liabilities, or expenses of any kind which it may suffer as a consequence of relying upon such Information. Any person considering the making of a decision to enter into contractual relationships with the Foundation and/or any other person on the basis of the Information provided to (or otherwise received by) Applicants (whether prior to this REOI or at any point during the selection process) in relation to the selection process should make their own investigations and form their own opinion.

Specifically, the distribution or receipt of this REOI shall not constitute or be construed as the giving of investment advice or a recommendation of any kind by the Foundation Only the express terms of any written contract (as and when it is executed) shall have any contractual effect.

All Applicants are solely responsible for the costs and expenses they shall incur in connection with this selection process including the preparation and submission of applications and participation in all future stages of this process. Under no circumstances will the Foundation be liable for any costs or expenses borne by the Applicants or any of their partners or advisors in this process. For the purposes of the selection process, all advisors of the Foundation are acting exclusively as the advisors to the Foundation and will not be responsible or owe any duty of care to anyone other than the Foundation in respect of the selection process. The Mastercard Foundation shall not be committed to any course of action as a result of:

- Issuing this (REOI) or any invitation to participate;
- Communicating with an organization in respect of this REOI; or
- Any other communication between the Mastercard Foundation (whether directly or by its agents or representatives) and any other party.

Queries during the Expression of Interest Process

The applicants will use the contextual information in the REOI to support Phase A submission documents). It is the responsibility of the applicants to obtain clarification of any terms, conditions, or technical requirements contained in the REOI. The Foundation will compile all questions received and answers provided and circulate them to all applicants as per the timeline outlined above. Kindly direct all questions and enquiries to Mercy Mutua, with email address: mmutua@mastercardfdn.org cc vthuron@meda.org

The Foundation cannot guarantee responses after the deadline indicated.

Amendments

The Mastercard Foundation reserves the right to amend, revise, add to, or withdraw all or any part of this REOI at any time. Organizations will remain responsible for all costs and expenses incurred by them, their staff, and their advisors or by any third party acting under their instructions in connection with any amendments.

Confidentiality, Intellectual Property and Use of Documents

The contents of this REOI and any supporting documents that may be made available by the Foundation from time to time throughout this REOI process, are confidential and proprietary to the Foundation, and protected by intellectual property rights. This EOI and such other documents are being made available to applicants on the condition that each applicant shall always keep the contents of this REOI and such other documents confidential and shall not reproduce, distribute or disclose the contents for any purpose, except: (i) to the applicant's own employees that have a need-to-know in order to facilitate the applicant's participation in this REOI process; and (ii) where required by applicable laws or regulations.

Nothing in these Terms and Conditions shall convey to the applicant any right, title, interest or license in, or to, any trademark, trade name, or any other intellectual property rights of the Foundation. The applicant shall not issue any news release, public announcement, advertisement, or any other form of publicity, in any form or content, in connection with this REOI and/or referring to the Foundation without first obtaining the written approval of the Foundation.

To support the Foundation in the evaluation and analysis of proposals, all documentation submitted in connection with this REOI process will become the property of the Foundation, may be subject to external review, and otherwise may be used by the Foundation in its sole discretion. If applicants have any doubts about the disclosure of confidential or proprietary information, the Foundation recommends that they consult with their legal counsel and take steps necessary to protect their confidential information and intellectual property.

Privacy and Data Protection

Throughout this REOI process, applicants shall refrain from providing the Foundation with any information that identifies or can be used to identify any individual, other than (i) business contact information that is necessary for the Foundation to contact representatives of applicants about matters relating to this REOI process; or (ii) information specifically requested by the Foundation and for which the interested party has a legal basis to disclose to the Foundation under applicable privacy and data protection laws.

Conflict of Interest

Applicants shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a potential conflict. This obligation shall apply to the applicant and third parties associated with the submission of the REOI. Applicants must disclose in the Organizational Questionnaire any circumstances/information, including but not limited to personal, institutional, financial, and business, which will or might result in actual or perceived conflict of interest by taking part in the submission of the REOI. This disclosure also applies to any implementing partners proposed by the applicant. During the REOI process, the Foundation may request for additional information to be uploaded/submitted to further assess actual or perceived conflict of interest. The Foundation reserves the right to reject any organization which, in the sole opinion of the Foundation, poses actual or perceived conflict of interest. The Foundation requires all actual or potential conflicts of interest to be resolved

to the Foundation's satisfaction prior to the delivery of an applicant's submission. Failure to declare such conflicts and/or failure to address such conflicts to the reasonable satisfaction of the Foundation could result in an applicant being disqualified at the sole discretion of the Foundation. If in the course of preparing, submitting and reviewing the REOI any actual or potential conflict of interest arises, the Applicant shall immediately inform the Foundation in writing of such conflict.

Canvassing and non-collusion

The Foundation reserves the right to disqualify any applicant who, in connection with this REOI: (i) offers any inducement, fee or reward to any Board member, employee or officer of the Foundation; (ii) contacts any Board member, employee or officer of the Foundation about any aspect of this REOI in a manner not permitted by this REOI; (iii) fixes or adjusts the amount of its REOI by or in accordance with any agreement or arrangement with any other applicant; (iv) enters into any agreement or arrangement with any other Applicant or potential Applicant to the effect that it shall refrain from making a submission or as to the amount of any submission; (v) causes or induces any person to enter into such agreement as is mentioned above or to inform the Applicant of the amount or approximate amount of any rival submission; (vi) canvasses any person in connection with this REOI who is not one of its own team members; (vii) offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other submission or proposed submission; or (viii) communicates to any person other than the Foundation amount or approximate amount of its proposed submission (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a submission).

ANNEX B: MASTERCARD FOUNDATION GUIDELINES/POLICIES

1. [Child and Youth Safeguarding Guidelines](#)
2. [Conflict of Interest Policy](#)

ANNEX C: ADDITIONAL INFORMATION

As indicated, the Mastercard Foundation is a Canadian registered charity and, as such, is subject to varying legal obligations that it must comply within the delivery of its charitable programs. Organizations with selected EOI responses will be invited and required to negotiate a contract with the Foundation that satisfies the Foundation's legal requirements.

The Foundation requires all contracting organizations to comply with its standard terms and conditions, which can be viewed at: <https://mastercardfdn.org/terms-and-conditions-services/>. Notable obligations include:

- The avoidance of illegal and criminal activities, including without limitation fraud, corruption, bribery, money laundering, and terrorist financing; and
- The avoidance of partisan political activities.

Selected organizations must also ensure that all proposed activities directly further one or both the Foundation's charitable purposes, noted above.

/ End of REOI document