PROJECT OWNER: Ethiopian Securities Exchange (ESX)

PROJECT SPONSOR: FSD Ethiopia

Invitation for Expression of Interest (EOI)

PROCUREMENT FOR TECHNICAL SERVICES TO DEVELOP EQUITY CROWD-INVESTMENT PLATFORM FOR THE ETHIOPIAN SECURITIES EXCHANGE (ESX)

1. Background and Context

The Ethiopian Securities Exchange (ESX) is established as share company by the Government of Ethiopia in partnership with the private sector, including foreign investors. ESX will be a key part of a broader ecosystem of institutions, markets, and participants that make up a functioning Ethiopian capital market ecosystem.

ESX functions as a Self-Regulatory Organization ("SRO") and serves as the central market organizer providing an integrated product suite covering the equities, fixed income, and money market segments of the capital markets. As the pioneer securities exchange, ESX aims to play a critical role in the development and growth of the Ethiopian capital markets.

ESX's core objective is to facilitate access to capital and support effective capital allocation in a manner that supports Ethiopia's economic growth. By developing a well-regulated and efficient capital market ecosystem, ESX will enable mobilization of financial resources for both public and private sector while providing investors a reliable platform to invest in a reliable and efficient environment.

You may find more about ESX on our website: www.esxethiopia.com

2. About FSD Ethiopia

FSD Ethiopia is a development agency that aims to support the development of accessible, inclusive, and sustainable financial markets for economic growth.

Established in 2021, FSD Ethiopia works on identifying the underlying factors that contribute to financial system failures, enabling market participants to address these constraints and help build a functional and effective financial sector that contributes to economic growth.

FSD Ethiopia provides technical assistance, grants, and research insights to policymakers, regulators, and market actors to drive large-scale change in financial markets and support sustainable economic development. It works with public, private, and development partners in the financial sector to address critical system constraints to facilitate change that allows the provision of effective, transparent, stable,

and inclusive financial systems. It provides tailored services to help diverse stakeholders achieve their goals and design interventions to make Ethiopia's financial sector function effectively and inclusively.

You may find more about FSD Ethiopia on our website: https://fsdethiopia.org/

3. ESX Equity Crowd-investment Platform

ESX aims to play a significant role in the development of the Ethiopian capital market ecosystem including active effort to deepen and diversify ESX's product/services offerings. Among others, ESX aims to design and implement solutions aimed at supporting small and medium enterprises (SME's) to actively participate in the capital market space.

As part of its market and issuer pipeline development strategy, ESX aims to put in place a crowd-investment platform, offering startups and SMEs a chance to raise equity capital from wider pool of investors. The platform will, among others, provide startups and SMEs with: -

- wider pool of access to equity capital from a wide range of investors beyond traditional sources.
- it allows wider pool of accredited and vetted list of investors to invest in startups and potentially benefit from their growth, leveling the playing field for investors.
- can serve as a form of market validation, showcasing public interest and support for a business idea.
- SMEs using the platform gain exposure to a large investor network, potentially attracting not just funding but also valuable expertise and connections.
- can serve as an incentive for startups and SMEs to improve their corporate governance and financial reporting standards, with additional support from ESX and other players, with the aim of graduating them to the next levels of listing, which are the ESX growth market and finally for listing on the main market.
- ESX will implement various features that are aimed at protecting investors, including, issuer due diligence and compliance, investment limits, investor education, limitation on the type of investor, training/orientation requirement for investors etc.

Therefore, with the support of Financial Sector Deepening Ethiopia (FSD Ethiopia), ESX aims to recruit an experienced **technology firm to develop a comprehensive** equity crowd-investment and platform.

4. Proposed Nature and Scope of Work

The scope for this assignment is to develop an equity crowd-investment platform with services that meet the business requirements, as well as the core and supplemental requirements that will be provided within the detailed RFP document to that will be provided to the selected participating firms. The platform's core services include web-based front and back-end management systems that are capable of providing the following functionalities:

- Issuer registration, screening, and approval
- Issuer showcasing
- Investor registration, screening, approval, and management

- Account management
- Payment processing and accounting
- Communication and notification services and
- Reporting and analytics

The scope of work for this assignment includes:

- Conduct requirement identification, analysis, and consultation with the target audience.
- Design and developing a prototype.
- Develop and implement the platform.
- Integrate with other systems.
- Coordinate testing and gathering user feedback and
- Deploy, launch, and provide training, and one-year support and maintenance.

FSD Ethiopia invites eligible firms to express their interest to participate in this procurement process. Interested firms must provide information indicating that they are qualified to perform the services (firm background and experience, description of similar assignments, experience in similar conditions, capacity, etc.

Please note that the total size of all attachments should be less than 5MB. Further, please limit the EoI to 25 pages, including annexes.

Firms may partner with other firms to enhance their qualifications, experience, expertise, and capacity. Where a group of firms partner to submit an EOI, they must identify which one is the lead firm and what the other firm(s) bring into the relationship. If shortlisted, the firm or the lead firm identified in the EOI will be invited to collect the request for proposal (RFP) phase.

5. Selection Criteria

- Provide information showing qualification
- Provide information on the qualifications of key staff (Maximum 5 key staff)
- Provide information on its experience of delivering national/large scale projects of high significance.

6. Submission of EOI

Expressions of Interest should be submitted, in English, electronically to bids@fsdethiopia.org with the subject line “EOI to Develop Equity Crowd-Investment Platform for ESX”.

Expressions of interest should be submitted before Feb 26, 2024.

7. Note

Following this invitation for EOI, and only shortlist of qualified firms will be allowed to collect the RFP and are formally invited to submit proposals. No notification or debrief will be provided to firms which have not been shortlisted.