



Request for Proposal

Intermediary Development Support: Training and Capacity Building for Investment Banking and Custodian Operations

1. Introduction

Ethiopia is on the verge of launching its proper capital market operations, a pivotal step in the country's financial sector development. The Ethiopian Securities Exchange (ESX) is also set to launch in the coming months. However, the preparedness of capital market service providers to engage in the space is lagging. Despite prior workshops on investment banking and related topics, gaps remain in the practical knowledge and roadmap for establishing and operating investment banking subsidiaries. Similarly, the custodian function—critical for enhancing trust in domestic and foreign investments—requires capacity building among commercial banks that have the potential to play this role effectively.

To address these gaps, FSD Ethiopia seeks to engage a qualified consultant to provide comprehensive and practical training on investment banking and custodian operations. This program will equip participants with essential knowledge, working templates, and practical toolkits to operationalize their intermediary functions efficiently.

2. About FSD Ethiopia

FSD Ethiopia is a development agency that supports the development of accessible, inclusive, and sustainable financial markets for economic growth. It aims to address financial system failures by facilitating market actors to address constraints and build a functional financial sector that generates economic gains for all Ethiopians.

More about FSD Ethiopia can be found here: <https://fsdethiopia.org/>

3. Objectives and Scope

The primary objectives of this engagement are to:

- Build practical technical capacity among participants on the basics of investment banking, including its functions, structures, and operations.
- Enhance the capacity of Ethiopian financial institutions to serve as custodians by providing targeted training on custodian operations and their role in fostering investor trust and confidence.
- Develop a high-level business, organizational and operational framework for the establishment and operationalization of an investment bank with focus on brokerage services

- Develop a high-level business, organizational and operational framework for setting up and operationalizing custodian services
- Provide working templates and tools that participants can use in their day-to-day operations.

4. Scope of Work

The consultant will be responsible for the following:

4.1. Investment Banking Training (One Week)

- Deliver in-depth training on investment banking, including but not limited to:
- Introduction to investment banking: global and local perspectives.
- Core functions of investment banking
- Developing a roadmap to establish and operationalize investment banking subsidiaries.
- Regulatory compliance and risk management in investment banking.
- Facilitate practical, simulation-based workshops with case studies to simulate real-world scenarios.
- Provide templates, guidelines, and tools for the establishment and operation of investment banking functions.

4.2. Custodian Operations Training (One Week)

Deliver targeted training for commercial banks on custodian operations, focusing on:

- Role and importance of custodians in the capital markets ecosystem.
- Overview of custodian operations
- Strategies for attracting foreign and domestic investment by enhancing trust and operational efficiency.
- Provide practical templates and toolkits for custodian operations.

5. Deliverables

In line with the scope of work, the expected deliverables under this contract will include the following, organized in a sequence to facilitate milestone-based payments:

- i. Conduct capacity-building sessions: the consultant is expected to deliver investment banking and custodian operations training for participants
- ii. Training materials: Comprehensive training manuals for both investment banking and custodian operations.
- iii. High-level business, organizational and operational framework for the establishment and operationalization of an investment bank (with focus on brokerage services) and custodian services.
- iv. a high-level business, organizational and operational framework for setting up and

- operationalizing custodian services
- v. Sample practical toolkits and templates for day-to-day operations of investment banking and custodian functions.
- vi. Simulation exercises with realistic scenarios and case studies for hands-on learning.
- vii. A detailed report summarizing the training program, feedback, and recommendations for future capacity-building initiatives.

6. Ways of working

The Consultant will be engaged by FSD Ethiopia and will report directly to the Financial Markets Pillar at FSD Ethiopia.

7. Timelines

The consultant is expected to execute tasks under each set of deliverables within the specified timelines. Below is the timeline for each deliverable:

Deliverables	Timeline
Investment banking workshop	One week
Custodian operation workshop	One week
Final report	One week after the workshop is conducted

8. Invitation to Submit Proposal

Qualified consultants are invited to submit proposals for this assignment. The proposal should include:

- Names and CVs of key individuals (maximum three sides of A4 paper each).
- Outline of team structure
- Proof of experience as an investment bank and/or custodian in other similar markets. In cases where the primary bidder is not an investment bank or a custodian, proof of partnership shall be presented.
- Description of the consultant’s understanding of the role and how they intend to fulfil the services within the suggested timeline.
- References (and their contact details) who can provide testimony for the Consultant's experience, skills, and overall suitability for this assignment highlighting experience relevant to this RFP and dates of service.
- Estimated budget for both professional fees and reimbursable expenses.

Proposals should be submitted electronically to bids@fsdethiopia.org with the subject line “Ethiopia Capital Market Intermediary Development Support” by 29th December 2024.

Note: Technical and financial proposals should be submitted separately but simultaneously.

9. Basis of award

A contract will be awarded to the most economically advantageous tender based on the following criteria:

Mandatory requirements
- Extensive experience in investment banking operations and/or custodian services. The proposal could be sent as a consortium. In cases where the primary bidder is not an investment bank or a custodian, proof of partnership shall be presented.
- Demonstrable track record of conducting similar capacity-building programs.
- A team with practical knowledge and experience in developing templates and toolkits
- Strong understanding of emerging markets, particularly in the African context.

Assessment criteria	Weighting (%)
Relevant, demonstrated experience and capacity of firm and proposed team in this area	40%
Experience on similar assignments in emerging markets and SME finance	20%
Understanding/interpretation of the task set out in the TORs	10%
Content, quality, and originality of proposal	10%
Fee basis and total costs	20%
Total	100%

10. Contact

Questions or comments in respect of these terms of reference should be directed by email to bids@fsdethiopia.org on or before 20th December 2024 and feedback will be provided by 24th December 2024.

11. Applicable Taxes

As per Ethiopia's tax law, FSD Ethiopia will pay the contractor after withholding the appropriate taxes at the applicable rate. It is the responsibility of the contractor to keep themselves apprised of these applicable taxes.