

**Request for Expression of Interest**  
**African Development Bank Group (AfDB)**

African Financial Markets Initiative/ Financial Markets Division

**Immeuble du Centre de commerce International d'Abidjan, CCIA**  
**Avenue Jean-Paul II - 01 BP 1387, Abidjan 01, Côte d'Ivoire**

**(FUND MANAGEMENT SERVICES)**

***Introduction***

This is an invitation to submit Expressions of Interest (EOIs) from suitably qualified investment advisory firms to provide fund management services for the African Domestic Bond Fund (ADBF). The proposed fund will focus on investments in local currency denominated Government Bonds. The fund is part indexed, part actively managed and will focus on 6-10 markets in Sub-Saharan and North Africa. The primary objectives of the funds are:

1. Create a benchmark against which to measure the performance of African investment strategies
2. Establish an investable product that gives investors (within Africa and outside) an opportunity to gain exposure to a cross section of the African continent.

It is envisioned that financial resources will be leveraged from a variety of investors, including sovereign wealth funds, pension funds, development finance institutions, donors, etc.

***Background***

Functioning capital markets are essential for efficient capital allocation and risk sharing in private sector led economies. Government Bond markets are the foundation for the emergence of local currency capital markets and almost always precede the development of a well-functioning private local currency bond market.

By issuing bonds in varying maturities, governments build a yield curve which is necessary for private investors to price risk effectively. An efficient government bond market therefore provides the backdrop for the provision of long-term financing to the private sector and hence is essential to support the growth of developing economies.

The African Domestic Bond Fund ("ADBF") is being created to improve liquidity in local capital markets, improve pricing efficiency and to create a benchmark for investors. The ADBF seeks to catalyse more investments into Africa and to improve liquidity of local markets which in turn will bring down borrowing rates leading to even more investment. As a result, the developmental impact of the African Domestic Bond Fund goes beyond the immediate outcome of improving public bond markets; it will help increase economic activity, improve financial flows and ultimately lead to economic growth.

The ADBF is part of the African Financial Markets Initiative (AFMI) which is sponsored by the AfDB. More information can be found on [www.africanbondmarkets.org](http://www.africanbondmarkets.org).

***Responsibilities***

The successful fund management team will be responsible for (among other things):

- Complying with key operational processes
- Building on initial fundraising activities
- Finalising the fund investment strategy
- Finalising internal and external documentation
- Managing committed capital
- Coordinating with any Technical Assistance Facility linked to the fund
- Investing committed capital to create an African government benchmark portfolio, largely, but not exclusively based on the AFMI Index.

- Reporting financial and development performance to limited partners and the AfDB

### ***EOI Requirements***

Interested firms should have recent relevant experience of investing in African Bond Markets and managing investments for third-parties. Potential fund managers should be regulated by a reputable industry regulator. Information indicating that the firm is qualified to perform the services described can include brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc. Consultants may constitute joint-ventures to enhance their chances of qualification. EOIs should include:

- **Basic Information**
  - Name of firm and legal status
  - Description of all individuals involved and locations from which they operate
  - The firm's strategy and mission
  - Contact details for primary contact point
- **Relevant Experience (Please include sector, AUM/deal size, cost and role in each instance)**
  - Details of capital raising and investor relations experience
  - Details of fund management experience
  - Details on ability to replicate a securities index
  - Details of sub-Saharan African investment experience
- **Team**
  - Demonstrate the internal capacity applicable to this particular mandate
  - Describe access to relevant third party technical, commercial, financial and legal expertise
  - Describe approximate decision-making/management structure
- **Other Information**
  - Provide any other experience or capacity applicable to the mandate as outlined above

The purpose of this invitation is to get a sense of the interest by suitable firms in taking part in a procurement process for a fund manager. The intention is to then conduct a procurement process. Within this procedure, the eligibility criteria, the establishment of the short-list and the selection procedure shall be in accordance with the African Development Bank's "**Rules and Procedures for the use of Consultants**"

The submission of an EOI shall be treated as acceptance that this invitation does not constitute an offer of any kind, that this invitation does not create any sort of legal relations, and that the African Development Bank Group is under no obligation to make any commitment.

Interested Consultants may obtain further information at the address below during office hours: 09.00 to 17.00 local time.

Interested firms must submit EOIs by **17:00 local time** on the **30<sup>th</sup> May 2015** to the address noted below. Submissions should quote "**ADBF Fund Management**" and should be submitted in two hard copies in English or French. Alternatively, an email with attached file(s) in PDF format (not exceeding 15 pages) may be sent to [c.mbengmezui@afdb.org](mailto:c.mbengmezui@afdb.org) and [afmi@afdb.org](mailto:afmi@afdb.org) by the same date and hour.

Based on market feedback, the African Development Bank may decide to proceed with a formal fund manager procurement process. It is expected that interested parties submitting an EOI will be notified of any further steps within four weeks of the EOI submission deadline.

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