CALL FOR PROPOSALS
OF
AFRICAN FINANCIAL MARKETS INITIATIVE

I. About the African Financial Markets Initiative (AFMI)

A key lesson from the Great Recession is that well developed local bond markets are important for increasing financial stability. Developing Africa’s local currency bond markets has become a policy priority, set in the African Development Bank’s Ten-year Strategy (2013-2022) and the African Union’s Programme for Infrastructure Development Initiative (PIDA).

The AFMI, launched in 2008, is a Bank initiative to build well-functioning domestic bond markets for the efficient mobilization and allocation of long-term finance, to enhance economic growth.

To achieve this objective, AFMI’s activities are implemented through its two pillars:

i. The African Financial Markets Database (AFMD), and

ii. The African Domestic Bond Fund (ADBF)

AFMI Pillar 1: The African Financial Markets Database (AFMD)

Access to accurate data on African debt markets remains one of the major challenges faced by market participants and development partners. The Bank, through the African Financial Markets Database (AFMD), created a database to provide updated and reliable information on African domestic bond markets. This was achieved through reconciling and standardising data produced by several institutions, using different concepts and methods. http://www.africanbondmarkets.org

AFMI Pillar 2: The African Domestic Bond Fund (ADBF)

The second pillar of the AFMI is the creation of the African Domestic Bond Fund (ADBF). The funds of the ADBF will be invested in local-currency-denominated sovereign African bonds issued in African markets.

II. Purpose of this Call for Proposals

The Financial Sector Development Department through the Financial Markets Division (under Pillar 2 of the AFMI) will be undertaking a needs assessment to evaluate possible areas of intervention for local currency bond market development.

The main purpose of this call for proposals is to facilitate the selection and financing (through grants) of project proposals that are aligned to the AFMI.
III. Types of activities to be funded:

Examples of areas of intervention include but are not limited to:

Money Markets:
- Establishment of repo markets
- Building interbank market interest rates

Regulation:
- Strengthening information disclosure and compliance in the government bond markets
- Capacity building of the Capital Market's regulatory system

Broadening Investor Base:
- Institutional investor development

Development of Secondary Debt Markets
- Building primary dealers systems
- Development of rating culture
- Price transparency

IV. Target Beneficiaries

Target beneficiaries include: African-based national and regional organizations and associations involved in local currency bond market development such as African government agencies, regional economic communities and private sector and civil society organizations located in Africa to submit proposals.

V. Other Project Requirements

- Location: the projects will be implemented in African countries or regions;
- Duration: While there is no specific duration limit, it is expected that selected projects will be launched during the next 12 months and implemented within 2 years; and
- Budget: The anticipated support per project will normally be between fifty thousand dollars ($50,000) and one million dollars ($1 million).

VI. Application Procedures

- Interested applicants are invited to submit a proposal to the African Financial Markets Initiative;
- Submission and questions for clarifications may be sent via email to [afmi@afdb.org](mailto:afmi@afdb.org) to the attention of African Financial Markets Initiative;

- Proposals can be submitted in either French or English;

- The deadline for submission of application forms for this special Call for Proposals is **30th October 2015**.

**VII. Evaluation of Application Forms and Way Forward**

Under this call for proposals, the AFMI will evaluate submissions to create a pipeline of possible TA projects that will help boost the continent’s domestic bond markets and accelerate its internal resource mobilization.

Submitted applications will be preliminarily reviewed for eligibility with respect to the objectives and priorities of the AFMI. Where necessary, shortlisted institutions will be contacted and requested to develop a full report. The AFMI proposal selection committee reserves the right to reject applications that are found “non-eligible.”