

# MACROECONOMIC AND FINANCIAL MANAGEMENT INSTITUTE OF EASTERN AND SOUTHERN AFRICA (MEFMI)

## CONSULTANCY SERVICES FOR THE ESTABLISHMENT OF AN ENDOWMENT FUND

### REQUEST FOR PROPOSALS

#### 1. BACKGROUND

The Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) is a regionally owned institute currently with 13 member countries: Angola, Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. The Secretariat of MEFMI is in Harare, Zimbabwe.

MEFMI was founded with the view to build sustainable capacity in identified key areas in ministries of finance and/or planning and central banks, or equivalent institutions. MEFMI strives to improve human and institutional capacity in critical areas of macroeconomic and financial management.

The Institute delivers its products and services through courses/workshops for professionals, seminars for senior professionals, retreats for heads of departments/divisions, executive fora for top executives, and country missions. These products and services are delivered in all 13 member states on a rotation basis

#### 2. SCOPE OF THE ASSIGNMENT

MEFMI is considering the setting up of an Endowment Fund to cushion it against unforeseen decline in donor funding especially during recessions. An endowment fund is a long term investment portfolio designed to assist an organisation in carrying out its long term objectives. Rather than immediately spending the funds, the organisation invests the money for the purpose of providing a future stream of income. Usually, endowments only use income from the investment while the initial capital is left intact.

##### 2.1 Goals of the Endowment Fund

There are three purposes of an endowment fund:

- i. **Help maintain operating independence** – MEFMI is currently about 50% donor funded with the balance coming from member countries. A decline in donor funding would cause a significant problem if there is no fallback position. A reliable cash flow from an investment portfolio can keep the business going during such periods of shocks.
- ii. **Provide operational stability** – MEFMI relies on funding from its financial donors based on 5-year cycles (phases). These funds may not be renewed or their availability may decline at the end of a cycle. An endowment fund would release some of the pressure to continually find new funding sources or to have another fund raising campaign.
- iii. **Provide a margin of excellence** – an endowment would enable the Institute to do some of the things it otherwise would not be able to do. For example, the Institute would be able to attract world-class experts to carry out its capacity building mandate because of the facilities and packages it would offer.

## 2.2 Scope of work

The project can be divided into two parts:

### Field interviews and data collection

- i. Member states
- ii. Financial donors
- iii. Other similar endowment funds
- iv. Collecting any relevant data and information

### Modalities of establishing such an endowment fund

- i. Feasibility of establishing a MEFMI Endowment Fund
- ii. Criteria for member states contribution
- iii. Determination of initial capital base
- iv. Options for investment
- v. Place of investing the fund
- vi. Mechanism for administering the fund
- vii. Period of accumulation of the fund
- viii. Location of fund and investment portfolio
- ix. Sustainability of the fund

## 3. EXPECTED OUTPUTS

- a) Power point Presentations to management, Executive Committee and Donors;
- b) Prepare and submit a report on the proposed endowment fund

## 3. SUBMISSION OF PROPOSAL

- a) MEFMI now invites eligible Consultant(s) with requisite expertise in providing the above-mentioned services. The Experts/Consultant(s) should demonstrate knowledge and proof of expertise in the area of consultancy.
- b) The proposal from eligible Consultant(s) should include the following information as a basis for pre-qualification:
  - Submit both electronic and hard copy
  - Statement of relevant experience i.e. similar assignments executed in/under execution in the last five years.
  - Measurable goals and objectives
  - Methodology
  - Appendix: Documentation such as CVs
- c) The duration of the consulting services
- d) The Consultants will be selected in accordance with the MEFMI tendering procedures.
- e) Interested consultants should submit a written expression of Interest in a sealed envelope clearly marked **"PROPOSAL TO PROVIDE CONSULTANCY SERVICES**
- f) PROPOSALS should be delivered not later than 16.00 hours on 31 July 2010 at the address below;

The Executive Director  
Macroeconomic and Financial Management Institute of Eastern and Southern Africa  
21A Airport Road  
P O Box 66016  
KOPJE  
**Harare**  
**ZIMBABWE**

Email: [capacity@mefmi.org](mailto:capacity@mefmi.org)

**Only short-listed applicants will be contacted.**