



Expression of Interest

Consultancy services to review the supply of finance and innovative structures that could unlock catalytic capital in Gatsby's focus sectors.

October 2024





ABOUT GATSBY AFRICA

Gatsby Africa (GA) is a private foundation set up by Lord David Sainsbury, with a long history of engaging in East Africa across government, business, and society. We are committed to helping build stronger and more inclusive economies in East Africa through the transformation of sectors that have the potential for inclusive, resilient, and competitive growth over the long-term. We have a portfolio of five high-potential sectors: Livestock (beef value chain) in Kenya, as well as Aquaculture, Commercial Forestry, Textiles & Apparel and Water across Kenya, Rwanda, Tanzania, and Uganda. We believe that, if successfully transformed, these sectors are capable of inspiring a step change in the region's growth, generating hundreds of thousands of jobs and additional incomes. Our approach is founded on global insights, as well as experience from 30+ years of working in East Africa. We have a mandate to think long-term, take calculated risks, innovate, reflect, and learn, so that we can continuously adapt and improve our work to achieve our ambitious goals. Central to this mandate is the recognition that GA cannot address sector transformation alone – we partner with sector stakeholders and governments, working together to facilitate the transformation of key sectors. As we build our understanding of what works, we are refining our approach and sharing our first-hand experience with others to help catalyse broader change.



THE CONTEXT

To catalyse sector transformation, it's critical there are firms who have the ambition and the capacity to innovate and create systemic change. To do this they need access to the right type of capital that allows them to deliver on that ambition. Despite recent progress there remains a significant gap in this provision of catalytic¹ capital, in particular for the SME segment which dominates the East African landscape.

Whilst Gatsby has strong knowledge of its sectors and the demand side, its knowledge of the wider supply landscape is mixed, both in terms of potential sources of capital and also how specific deals may be structured creatively to meet the need of the business and the funder(s). With that in mind Gatsby would like to work with a 3rd party with deep experience of the supply landscape in East Africa and experience of structuring innovative financing solutions for catalytic firms. Whilst not exclusively, considering the likely pioneering nature we expect that a number of the potential opportunities may not provide the risk adjusted returns for fully commercial capital, so the supply side analysis will likely focus in that area.



¹ Gatsby terms catalytic capital as capital aiming to create lasting change in the wider sector system beyond the individual firm recipient, that is vital for the growth of the sector. It's not funding more of the same, its funding businesses that have the potential to change how the system operates in the long-term.

OBJECTIVE OF THE ASSIGNMENT

The objective of this consultancy is to understand the key sources of capital (at specific investor level) and specific structuring opportunities that are relevant to catalytic investments in firms / funds in Gatsby's current and potential future sectors, including an identification of the key barriers which are inhibiting flow of catalytic capital.

SCOPE OF WORK

The scope of work will include:

- Identifying sources of capital that have a track record (or demonstrated intent) of catalytic investment in Gatsby's current and potential future sectors in our focus geographies, including an analysis of different instruments, return expectations, terms and conditionality. This will include thematic funding such as climate finance.
- Setting out key trends in the availability of catalytic capital in Gatsby's focus geographies, with a particular focus on developments in collaboration between more concessional and commercial financiers, including development actors.
- Identifying the key barriers to catalytic capital flow and how these are being overcome.
- Case studies of relevant innovative structuring / products that have supported catalytic capital being deployed, with key lessons identified.

The expected deliverables will be a report that summarises the key areas of scope set out above and an excel annex that provides additional detail on specific investors / development actors who are most likely to support catalytic investment transactions and their track record of doing so.



SKILLS AND EXPERIENCE

The successfully consultant / firm should have at a minimum:

- Demonstrable experience of completing similar supply-side analyses across East Africa and in Gatsby focused sectors.
- Strong networks with potential investors to be able to provide information beyond desk-based research.
- Experience of structuring innovative financing solutions for catalytic investments in East Africa.

DURATION OF THE ASSIGNMENT AND LEVEL OF EFFORT

We anticipate the assignment will start in November and Gatsby would like the assignment to be completed before the end of the calendar year or soon after. We expect the consultant to be able to leverage previous work completed in this area to reduce the level of effort required in relation to 'desk-research'. We would expect the majority of time to be committed to more detailed discussions with potential investors to build further insights on what is available and key trends, as well as to develop case studies of innovative structuring.

If this is of interest please email the following to robert.unwin@gatsbyfrica.org.uk:

- 1-2 pages on how you would approach this assignment, including an estimate of LOE required.
- List of proposed team members, their relevant experience and day rates.
- Examples of previous projects completed that are relevant to this assignment.

Selection will be made based on these three categories after which the detailed scope and level of effort will be agreed collaboratively between Gatsby and the consultant before commencement of the assignment.

Please submit your application no later than **Wednesday 6th November 2024**.

For additional information or questions please contact:

robert.unwin@gatsbyafrica.org.uk



www.gatsbyafrica.org.uk