



# FEDERAL MINISTRY OF INDUSTRY, TRADE, AND INVESTMENT (FMITI)

## REQUEST FOR EXPRESSION OF INTEREST (EOI) – NIGERIA DIASPORA FUND

### \$10 BILLION NIGERIA DIASPORA FUND MULTISECTORAL INVESTMENT INITIATIVE

THE Federal Government of Nigeria through the Federal Ministry of Industry, Trade, and Investment (FMITI) is coordinating several initiatives towards attracting and accelerating the injection of private sector and foreign direct investments into the Nigerian economy.

As part of this process, a committee was set up to design and develop the structure for a Diaspora Fund. Various stakeholders in the capital markets, investment community and diaspora investors were engaged and also consulted on the establishment of the **\$10 billion Nigeria Diaspora Fund**. The Ministry therefore issues this call for Expression of Interest (EOI) to Fund Managers for the development and establishment of a multisectoral, multilateral private sector-led investment fund to form the **\$10 billion Nigeria Diaspora Fund**.

This Fund will be designed and managed by the Fund Managers selected during the Expression of Interest process. The expected investment period is for three to five years with follow on investments thereafter. The life of the fund will be 10 years (extendable by 2 years).

**The Federal Ministry of Industry, Trade, and Investment now invites eligible Firms to indicate their interest in providing services as Diaspora Fund Manager.**

The following requirements are applicable to companies/firms that are submitting EOI either as a standalone firm or a consortium of firms in Nigeria. They **MUST** provide the following information/documents:

- 1) **Name of firm.**
- 2) **Contact information** for lead firm (name of primary contact, telephone number, email address, and physical address).
- 3) **CAC registration information** – Certificate of incorporation, CAC 7, and all other relevant CAC documents.
- 4) **Securities and Exchange Commission** registration as a Fund Manager
- 5) **List SEC registered AUMs and PENCOS registered AUMs** at 31/12/23.
- 6) **List previous experience of work with the Federal Government of Nigeria.**
- 7) **Profile of the firm** including information of its asset management experience and track record, key personnel, investment selection process including due diligence and anti-fraud checks, investment management process including on-going checks to ensure investment performing as expected, reporting processes and readout to investors, and availability of electronic management portal for ease of reporting and changes to allocation preferences.
- 8) **Proposed asset offering** type e.g., infrastructure fund; credit fund; venture capital fund; etc. Applicants are at liberty to offer as many funds as desired keeping in mind the need to establish differentiation in what is anticipated to be a competitive marketplace.

- a. Table outlining the high-level rules of each fund including target size, minimum investment size, minimum investment period, anticipated rates of return, currency of investment (USD instruments circulating in Nigeria, or Naira investment), etc.
- 9) As applicable, potential fund managers are expected to also **identify the partners required to fully execute the strategy** they propose.
- 10) Proposed **incremental investment incentives** if any sought by fund managers based on specific strategy and structure to be utilized.
- 11) **Proposed fee structure and economic terms** to be charged investors, including annual management fees, performance fees, portfolio monitoring fee, regulatory oversight fee of assets under management to the federal partnership.
- 12) **Discussion of the electronic and reporting platform** that will be used to manage engagements with diaspora and institutional investors, including investor relations activities.
- 13) **Description of the process by which applicant intends to collate funds** from the diaspora and invest it in Nigeria e.g.
  - a. Set-up of bank accounts in overseas markets, or domiciliary accounts in Nigeria into which FX inflows will be temporarily domiciled.
  - b. Process for transferring funds back to the investor when they want to redeem funds.
- 14) Discussion of any **regional preferences** or location focus for the investment fund; while this is optional, the insight will help with tracking capital flow across the country.
- 15) **Copy of recent 3 years audited financial statements** if already in business and the details of their legal, accounting and banking partners.
- 16) Clearance Certificate from National Pension Commission as evidence of compliance with Industrial Training Fund Amendment Act, 2011.
- 17) Evidence of Company Tax Clearance Certificates for the last 3 years.
- 18) VAT Registration.
- 19) Sworn statement indicating that all documents submitted are genuine and verifiable.
- 20) Finally, all applicants should also submit a **letter of consent authorizing the federal partners** to engage their professional services providers in discussions to verify assertions made by the applicant.

**The Fund Manager's assignment will include, but not limited to:**

1. Designing and setting-up of the Fund including legal, operational, financial, and administrative structures.
2. Determination of Fund structure, sector allocation etc.
3. Managing all the business affairs of the Fund and undertaking activities required to meet the objectives of the Fund.
4. Making all decisions related to the investigation,

- solicitation, origination, selection, development, negotiation, acquisition, management, structuring, restructuring, commitment to or monitoring of and disposal of investments.
5. Directing the formulation of the Fund's investment, financial, governance, operational policies and other relevant documentation required for the Fund's operations.
  6. Acquiring, holding, selling, transferring, exchanging, and disposing of investments, and exercising all rights, powers, privileges and other incidents of ownership or possession with respect to investments.
  7. Fund raising (including the preparation of fund-raising documents, pitch books and other marketing materials).
  8. Undertaking investor management activities including the management of committed capital.
  9. Developing and implementing a technical assistance framework to complement the equity fund.
  10. Implementing the Fund's Environmental and Social Management System.
  11. Preparing periodic reports on the status and performance of the Fund.
  12. Undertaking risk management and developing risk mitigation measures, including forex risk management.

The Nigeria Diaspora Fund will operate under the guidance of its Advisory Board comprising Limited Partners of the Fund.

#### Objective of the Nigeria Diaspora Fund

1. The Fund will be managed by Fund Managers that satisfy the criteria set out in the Expression Of Interest (EOI). The Fund manager will propose Fund structures that will focus on various sectors and stages of investments.
2. Subject to the preferences indicated by Fund Managers, the Fund will contain multiple investment platforms designed to offer investors different mechanisms for participating in Nigeria's economic transformation.
3. This Fund is a way of encouraging remittances, attracting investments and facilitating philanthropic endeavors aimed at supporting various sectors such as infrastructure, healthcare, education and entrepreneurship in Nigeria.
4. The launch of The Diaspora Fund is part of broader efforts to strengthen ties between Nigeria and its diaspora, promote national development, and harness the potential of The Diaspora Community as agents of change and development for Nigeria
5. The National Launch of The Diaspora Fund will serve as an opportunity to raise interest in and awareness of the Fund; towards mobilizing capital investment from the Diaspora Community

#### Qualifications/ Basic Requirements

1. Must possess at least five (5) years of cognate track record of Fund Management and provide evidence of investments in its portfolio in the last 5 years.
2. Verifiable investment across Nigeria.
3. Demonstrable value-addition capabilities concerning portfolio investments.
4. Must demonstrate a track record of:
  - a. Equity/quasi-equity Fund structuring and setup in the last 5 years.
  - b. Capital raise and equity fund management in the last 5 years.
  - c. Proof of existing network with VC traditional investors in the diaspora.
  - d. Managing large VC Funds with evidence of achieving positive financial return and development impact in the last 5 years.

5. Evidence of a strong operational Fund Management team with an understanding of the Nigerian investment landscape, including experienced investment and middle- and back-offices staff and policies and procedures that are aligned with international best practices.
6. Must possess existing relationships and network with relevant local and foreign investors.
7. Must possess a clear geographic understanding of all the states and the six geopolitical zones in Nigeria as well as the funding landscape in the respective zones.
8. Ability to effectively profile the opportunity sphere across all thirty-six states and the Federal Capital Territory. The Fund Manager should be available to coordinate and direct requests for funding from interested businesses throughout the country.

#### Professional Experience

1. Detailed company profile indicating management team, ownership structure, competence of firm, office, and branch contact details (where applicable).
2. Evidence of availability of appropriate skills among staff to be proposed for the assignment.
3. Summary of successfully exited investments in the last 3 years with key information on the company, exit strategy adopted, fund/investment size, IRR of Fund.
4. List of existing investments with the following information:
  - a. Sector focus.
  - b. Brief description of investee company including growth stage and performance.
  - c. Type of investment.
  - d. Target IRR.
  - e. Fund term.
  - f. Current status of the investee company.
5. Submission must clearly state that your firm is interested in the Nigeria Diaspora Fund with justification.
6. Any other information that can strengthen the application.

Firms may constitute joint ventures to enhance their chances of qualification. In this case, the arrangement must clearly indicate in the submission, an organogram stating the members of the consortium.

Greenfield funds may apply provided the promoters demonstrate a deep experience in fund management, investment execution, multilateral development, and a detailed understanding of the Nigerian environment.

Foreign firms are also encouraged to participate, preferably by partnering with reputable local fund managers that meet any or all the requirements above. Such foreign firms must be able to demonstrate an ability for frontier and emerging market investment experience.

Interested firms may obtain further information at the address below during office hours (8am - 5pm).

Potential applicants are invited to submit their full application as a single file in hardcopy and a pdf format virtual copy in a USB memory stick by **May 6th, 2024 at 5pm** and mention "**EXPRESSION OF INTEREST: NIGERIA DIASPORA FUND,**" to the following address:

**Office of Honourable Minister of Industry,  
Trade and Investment,  
Old Federal Secretariat,  
Area 1, Garki, Abuja.**

**E: [Nigeriadiasporafund@fmiti.gov.ng](mailto:Nigeriadiasporafund@fmiti.gov.ng)**

**W: <http://www.nigeriadiasporafund.gov.ng>**

