

# Request for Proposal

## Governance and Compliance Assignment

### Dolma Fund Management

#### Introduction

Dolma Fund Management (DFM) is a fund manager based in the Republic of Mauritius.

DFM currently manages Dolma Impact Fund I (vintage 2014, USD 36MN, LPs: FMO, Finnfund, OeEB, DGGF and HNWI/family office investors). Dolma Impact Fund I is a fixed life fund of 10 years that started on 14<sup>th</sup> September 2014. Fund I has invested in two hydropower projects, two solar projects, a pharmaceutical manufacturer, a hospital, and three technology companies.

DFM is currently looking to raise capital for a second fund, Dolma Impact Fund II (DIF II) with an expected first close of USD 56MN in March 2021. The expected LP base will comprise several Development Financial Institutions, namely FMO, CDC, Finnfund, Swedfund and IFC. This second fund will focus on similar industries in renewable energy, healthcare, and technology.

DIF I and II provide capital and expertise to growth companies in Nepal. Executive management of the funds is provided by DFM Mauritius, with advice provided to DFM Mauritius by Dolma Advisers Private Limited (a Nepal-based investment advisor).

The funds are designed to generate sustainable private sector employment and stimulate further Foreign Direct Investment into Nepal, while generating a market rate of return. Dolma invests as a strategic partner, sharing risk with entrepreneurs and promoters. As an impact fund, Dolma builds positive social and environmental impact into the core of investee company strategies.

Following conversations with DIF II's prospective Development Finance Institution investor base, Dolma Fund Management is considering engaging an external resource with expertise in fund governance and compliance to review Dolma's existing governance practices and develop a best practice governance and policy framework.

The aim is to set out an objective framework to assist Dolma's management to discharge its responsibilities with regards to (for example) safeguarding of assets; financial control and reporting; compliance with accounting standards; internal controls; risk management; external audit, independence and performance; shareholder reporting and corporate governance. Details of the oversight and effectiveness of the governance of risk and compliance should also be articulated.

Indicative areas of support are identified in the scope below, however these will be refined following receipt of proposal.

#### Scope of consultancy support:

1. **Governance Framework:**

Definition of the Fund's governance framework through relevant Board Charters for the Fund/Manager/Investment Adviser including:

- Constitution;
- Membership;
- Reporting and Accountability;

- Meetings and Proceedings;
- Procedures and Conflict Declarations;
- Terms of Reference, Duties and Responsibilities; and
- Lines of Authority/Approval.

A training session from the consultant to:  
explain the workings of the Governance Framework to the relevant Dolma officers

## 2. **Policy Enhancements:**

### **(i) Financial Control Policy**

A policy to cover:

- Review of payments; and
- Approval of payments, including matrix of authority.

A training session from the consultant to:  
explain the contents of the Financial Control Policy to the relevant Dolma officers

### **(ii) Administrator Review Policy**

A policy to cover leading practices in:

- Internal review and approval by the Fund Manager prior to external distribution of the Fund Administrator's work;
- Oversight on the control structure of the Fund Administrator;
- Reporting to be performed by the Fund Administrator to the Fund Manager and vice versa
- Right to audit.

The consultant work may include a review of a sample of any existing evidence/documentation to confirm current practice/understanding (e.g. agreement between the Fund Manager and the Fund Administrator, compliance reports provided by the Fund Administrator to the Fund Manager).

A training session from the consultant to:

- explain the contents of the Administrator review policy to the relevant Dolma officers

### **(iii) Additional Compliance Policy enhancements**

Further compliance policy and manual enhancements following discussions with Dolma management.

Indicatively the scope might include operating procedures with respect to:

- AML/CFT
- Client risk assessment.
- Business risk assessment

A training session from the consultant to explain the enhanced compliance policy/manual to Dolma staff.

## **Request for Proposal Deliverables**

We request the consultant present a proposal indicating:

- work methodology
- timeline (including any phased work or interim reports)
- deliverables
- project fees
- examples of prior relevant experience and projects
- CVs of consultants directly involved in undertaking the work

We are especially interested to hear of any experience undertaking similar projects for fund managers investing in Nepal or comparable Least Developed Countries. Knowledge of Mauritius' regulatory framework will also be viewed favorably.

Please submit proposals with supporting documents to [shubhra@dolmafund.org](mailto:shubhra@dolmafund.org) by 03 march 2020.

Thank you for your consideration of this request.