

# Next-generation RFP's designed to accelerate growth, progress, and innovation in the African Lottery & Sport Betting Market

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**T**he AFRICAN LOTTERY ASSOCIATION has, over recent years, re-structured to better serve its members and collaborate with other associations on initiatives to serve the lottery industry.

New bylaws were adopted and a fully-fledged secretariat-general is now established at the premises of the MDJS in Casablanca. Congresses and seminars addressing various important regional and global issues are being held on a regular basis. An important issue has been to assess the ways lotteries throughout Africa are legally structured. Differences are enormous, some with outdated legislations and others requiring serious updates to address today's challenges. Mobile and internet gaming, licensing conditions and supervision are often unequally or inadequately regulated leading to problem gambling and lack of control over activities by certain private parties and illegal or fraudulent operators, using a.o. fake licenses. Africa needs to move forward, and certain countries are expected to or are already taking the lead.

The South African (SA) National Lottery has from its launch in March 2000 taken a special position in the African lottery community. Very much built on the British

model, its foundation was established by the SA Lotteries Act. The national lottery license in the country is issued for a maximum period of eight years and the current license (the third license issued) expires on 31 May 2023. The licensing process is started with the issuing of a Request for Proposal (RFP) which were for the previous processes issued about two years before the expiry of the current license. The previous RFP processes have been well contested processes and were subjected to legal scrutiny by losing bidders. However, for unknown reasons, South Africa has not issued the RFP at the time of writing this article notwithstanding the end date of the current license on 31 May 2023. The international lottery community is waiting for the RFP to be launched soon and is prepared to put all its efforts in



implementing innovative technologies in a timely manner during a new license. In South Africa the national lottery operator is obliged to pay a percentage of gross sales revenue to a distribution trust fund earmarked for worthy causes. It has been authoritatively stated that it is clear that the intention of the Lotteries Act is that the National Lottery should generate as much money as possible for distribution to those causes.

In Botswana, lottery operators were encouraged by the implementation of legal reforms in the lottery environment and keenly accepted the Request For Application (RFA) for the National Lottery license published on 8 May 2017. Five consortiums responded to the RFA in October 2017. Unfortunately, notwithstanding a planned and publicized license award date of 17 September 2018, Botswana has not yet awarded the national lottery license. A review of media reports confirms that the delay is mainly caused by an inability to comply with the regulatory processes. As a result, regulatory decisions failed to withstand legal challenges in the form of an arbitration and an appeal lodged by an applicant to the relevant Minister. The Botswana process shows that a proper legal framework supported by skilled, efficient and proper regulatory services is essential.

Morocco, Ghana, Mauritius are among the countries which are well-organized but sometimes also the target of unfair or illegal competition, regulatory uncertainty, Covid-related operational problems and/or the need for modernization. Each of them is looking at the future in different ways.

Mauritius has with Lottotech a very strong operator who has the potential to grow by applying for licenses in other African jurisdictions and helping those nations in collecting more funds for their good causes. Lottotech is also very strong in applying the highest responsible gaming standards as developed by the WLA.

Ghana has an excellent Lottery operation but is approaching the future with an open mind and an ambition to innovate and adapt to the changing consumer market-place. So does Rwanda, and others are expected to follow.

Morocco is today in the limelight of the international lottery and specialized gambling press for two reasons: its new RFP and the Macolin convention signature. It is therefore worth, in the absence of relevant developments in South Africa, to dig deeper

into the developments in Morocco as they could be inspiring as well as educational.

The COVID pandemic did oblige MDJS and its technology partner Intralot to review their cooperation and agree on ending the contract by 31 December 2022. Parties agreed to use the remaining time until the end of the contract to finalize and implement a number of actions affecting both the retail and the digital channels. In the meantime, MDJS did prepare and launch a completely new RFP designed in a totally different way. Based upon the WLA format, the RFP is adapted to the local market regulations, is result instead of cost oriented, and dynamic in its approach towards the future. Besides a new transition and facilitating committee to assist the smooth transition, a gaming observatory will during the whole term of the new contract starting on 1 January 2023 follow up technological development enabling the operator(s) to cooperate with MDJS on implementing and innovating the operational approach. Additionally, joint-ventures along with smaller and local entities have the possibility to participate in the process. The RFP is divided into two batches: lotteries and sport betting, opening up the RFP for more bidders willing to address one or both batches. Solutions for both the retail and digital channels must be provided in the bids.

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The goal of this RFP is to position MDJS for a future oriented strategy embracing and promoting innovation. Supporting the development of sport in Morocco by offering attractive games in an efficient and

responsible manner, and investing in strong, CSR-driven governance is the true mission of MDJS.

But there is more. Morocco has, as the first African country, signed the **Macolin convention to fight manipulation of sporting events**, to safeguard the integrity of sport, to combat money laundering and fight illegal sport betting. MDJS, as a founding member of GLMS, is already actively cooperating with the Copenhagen Group in the Council of Europe to monitor certain sports. During the Tokyo Olympic Games, table tennis and triathlon were sports monitored by MDJS and now also the FIFA Arab Cup will be monitored by MDJS.

In conclusion ...

While South Africa is still not yet acting on a new RFP, Morocco takes the lead with this *new generation* Lottery & Sport betting RFP.

With this next generation RFP, MDJS is not only showing its commitment to support sport in its own country but could inspire other African lotteries to design their own national structure accordingly. Morocco could become a gateway for strengthening and helping the development of innovative and responsible lottery and sport betting activities by other African countries to the benefit of their local communities.

By implementing the Macolin convention, MDJS is strongly contributing to the overall protection of sport around the world and to a safer betting environment, and actively supporting the important work of GLMS. Again, there is the hope that it could inspire other African countries to follow and sign the Macolin convention.

If others on the African continent are getting their act together as we expect Ghana, Rwanda, and South Africa to do in the near future, and with the example of Morocco already in mind, and with the ongoing support of ALA and the WLA, Africa is becoming the growth market to watch in the lottery sector and its growing community of suppliers. ■