



**BOOSTING INNOVATION, GROWTH AND
ENTREPRENEURSHIP ECOSYSTEMS
PROGRAMME**

Loan No.: *JA-00010* / JA-L1085

Associated WBS Code #:2.2.1.2

(Financed by the Inter-American Development Bank)

DEVELOPMENT BANK OF JAMAICA LIMITED

CALL FOR PROPOSALS

FROM

**LOCAL AND INTERNATIONAL FUND MANAGER(S) FOR THE
ESTABLISHMENT AND MANAGEMENT OF A VENTURE CAPITAL
FUND**

ISSUED: FEBRUARY 14, 2022

**CALL FOR PROPOSALS
LOCAL AND INTERNATIONAL FUND MANAGERS
FOR THE ESTABLISHMENT AND MANAGEMENT OF
A VENTURE CAPITAL FUND**

**JAMAICA BOOSTING INNOVATION, GROWTH AND ENTREPRENEURSHIP
ECOSYSTEMS (BIGEE) PROJECT**

ASSIGNMENT: Fund Manager for the Establishment and Management of a Venture Capital (VC) Fund

Loan No.: *JA-00010 / JA-L1085*

Associated WBS Code #:2.2.1.2

Reference No: DBJ-022/05

METHOD OF SELECTION: Commercial Practices

The Development Bank of Jamaica (DBJ) through the Government of Jamaica (GoJ) has received financing from the Inter-American Development Bank and intends to apply a portion of the proceeds of this loan to towards the cost of Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Project, specifically to Subcomponent II.2: Facilitating Access to capital for scalable startups for which the Call for Proposal (CFP) is being issued for a Fund Manager.

The Fund Manager will be required to set up/ establish and manage the proposed VC fund and will be solely and exclusively responsible for investment and exit decisions. The VC Fund Management Firm will be responsible for: (i) actively seeking deals; (ii) fundraising; (iii) presenting deals to the investment committee; (iv) monitoring performance of approved investments; (v) reporting; and (iv) supporting portfolio companies. The VC Fund Management Firm must be willing to comply with Inter-American Development Bank reporting and monitoring and evaluation requirements of investments, as described in the CFP criteria, applicable investment documents, Operations Manual, and safeguards guidelines as described in the Procedures for the Environmental Impact Assessment of the Subprojects, as well as the Inter-American Development Bank's provisions on Conflict of Interest.

The objective of this assignment is aimed at supporting a VC Fund, that will contribute capital of US\$5M as investment in a fund which will, in turn, provide risk capital financing to early stage, scalable and investment-ready, Jamaica operated start-ups that have high regional or global growth potential but have not been targeted by venture capital funds in Jamaica. Access to risk capital and Technical Assistance Grant facilities under the BIGEE Project is expected to allow these investees to achieve higher levels of growth and productivity, and contribute, where possible, to job growth in their sectors.

The DBJ now invites eligible Applicants ("Fund Managers ") to indicate their interest in providing the services. Interested Fund Managers should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. Eligible applicants must be:

- Local and international Fund Managers licensed and operating in accordance with relevant regulations and properly registered in the country of origin and operation. If a Fund Manager is an overseas company, then such a company will be required to be registered in Jamaica as an overseas company and licensed or registered in accordance with the Financial Services Commission (FSC) Act.

The CFP may be downloaded from the DBJ's website: <http://www.dbankjm.com> as **Monday, February 14, 2022**.

The attention of interested Consultants is drawn to 1.9 of the IDB's *Guidelines: Policies for the Selection and Contracting of Consultants financed by the Inter-American Development Bank (GN-2350-9), March 2011* setting

forth the IDB's policy on conflict of interest. The Consultant will be selected in accordance with the **Commercial Practices** method set out in the *GN-2350-9, March 2011* on page 21, Item 3.14.

Deadline for Clarifications: All Requests for Clarification should be submitted on or before **Friday, March 4, 2022, at 4:30 p.m.**, by sending an email to: thinkbigee@dbankjm.com

CFP must be delivered in writing to the address below (in person, or by mail, or e-mail) **no later than Tuesday, April 5, 2022, at 3:00 p.m.**

Development Bank of Jamaica
Attn: Project Manager / Procurement Specialist
Fund Manager for the Establishment
and Management of a VC Fund
11a-15 Oxford Road, Kingston
Jamaica, West Indies
E-mail: thinkbigee@dbankjm.com

Table of Contents

a,	Disclaimer	3
1.	Introduction	6
1.1	Purpose of the Call for Proposals (CFP)	6
1.2	Eligibility of Applicants	6
1.3	Background	6
1.4	Objectives and Features of the VC Fund	8
2.	Proposal Presentation	12
2.1	Executive Summary	12
2.2	Detailed Information Required for the Investor Panel’s Analysis of the Proposal	13
2.3	Deadline & Submission Method for Proposals	14
2.4	Confidentiality	15
3	Evaluation Process	15
3.1	Outline of Evaluation Process	15
3.2	Stage 1: Pre-Qualification	15
3.3	Stage 2: Review by the Investor Panel	15
3.4	Decision of the Investor Panel	16
4	Clarification of Issues	17
5	Investors’ Terms and Preferences	17
6	Calendar	17
7	Definitions	17
8	Investor Panel Investment Criteria	16
APPENDICES		17
I.	Preliminary Screening of Fund Manager Application Form	18
II.	Presentation Evaluation Form	20
III.	Investor Panel Due Diligence Questionnaire	21
IV.	Complaint Mechanism Guidelines	24
V.	Inter-American Development Bank’s Transparency, Accountability and Anti-Corruption Guidelines	28

Disclaimer

Investor Panel

The information provided in, and pursuant to, this Call for Proposal (“CFP”), in whatever format is not an agreement and does not constitute an offer by the corporate and institutional investors (“the Investor Panel”) to the qualified Applicants or any other person. The purpose of this CFP is to provide interested parties with information that may be useful to them in submitting their Proposal. This CFP does not purport to contain all the information that each Proposal may require. Each Applicant prior to presenting its Proposal should, therefore, do its own due diligence by conducting its own investigations and analysis.

The Investor Panel accepts no responsibility for the accuracy or completeness of the information provided or for any interpretation or opinion on the law expressed in this CFP and included in any documents forming part of this CFP.

The Investor Panel makes no representation or warranty and shall have no liability to any person, including any Applicant who has presented a Proposal, under any law, statute, rules or regulations, or otherwise for any loss, damage, cost or expense which may arise from or be incurred or suffered on account of anything contained in this CFP or deemed to form part of this CFP or arising in any way from participation in this CFP process.

The Investor Panel is not obliged to but may, in its absolute discretion, update, amend or supplement the information, assessment or assumptions contained in this CFP.

The Investor Panel is neither bound to select any submitted Proposal nor to invest in any selected Applicant(s), as the case may be. Furthermore, the Investor Panel reserves the right to reject all or any of the Applicants or their Proposals without assigning any reason whatsoever.

The Applicant shall solely bear all its costs associated with or relating to the preparation and submission of its Proposal including but not limited to preparation, copying, postage, delivery fees, expenses associated with any queries or any other costs incurred in connection with or relating to its Proposal. All such costs and expenses shall remain solely with the Applicant and the Investor Panel shall not be liable in any manner whatsoever for the same, regardless of the conduct or outcome of the selection process.

Call for Proposals

1. Introduction

1.1 Purpose of the Call for Proposals (CFP)

Development Bank of Jamaica Limited (“DBJ”) administers the Jamaica Venture Capital Programme (JVCapital) and is the project implementing entity for the Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme . The DBJ is a member and lead anchor investor of the Investor Panel, which seeks to select one or more Fund Managers for the Establishment and Management of one or more Venture Capital Funds, in Jamaica or another eligible jurisdiction. Applicants for the position of Fund Manager are invited to present proposals (the “**Proposal**”) to the Investor Panel in accordance with the requirements described in this CFP.

1.2 Eligibility of Applicants

The Applicant must be a local or international Fund Manager who is licensed or intends to be licensed and operating in accordance with relevant regulations and properly registered in the country of origin and operation. If a Fund Manager is an overseas company, then such a company will be required to be registered in Jamaica as an overseas company and licensed or registered in accordance with the Financial Services Commission (FSC) Act. Existing fund managers with aligned investment strategy may apply (e.g., funds that are already fund raising or have completed first close).

1.3 Background

The Government of Jamaica (GOJ) has received financing from the Inter-American Development Bank (IDB) in the form of a loan towards the initiatives developed under the project, BIGEE Programme. DBJ is the implementing agency of the Programme.

Subcomponent II.2 of the Programme, which is aimed at supporting scale-ups, will contribute capital of up to US\$5M as an investment in one or more funds that will, in turn, provide primarily risk capital financing to early stage, scalable, and investment-ready start-ups registered in Jamaica. Access to risk capital and Technical Assistance Grant facilities under the BIGEE Project is expected to allow these investees to achieve higher levels of growth and productivity, and contribute, where possible, to job growth in their sectors.

The GOJ has recognized that a vibrant and sustainable Venture Capital (VC) market will create an avenue for addressing the problem of lack of access to long term equity financing for Jamaican companies.

In that regard, the GOJ, through DBJ's Jamaica Venture(JV) Capital and BIGEE Programmes, is collaborating with other public sector and private sector investment partners to source one or more qualified and experienced Fund Managers to establish and manage a new VC Fund in Jamaica.

The investor partners will establish the **Investor Panel** comprised of the DBJ and a number of local corporate, institutional and individual investors to execute the selection framework.¹The Investor Panel will have the opportunity of undertaking investments, in the established Fund(s), along with the selected Fund Manager(s).

Key features of the Fund are expected to be: (i) Fund focus; minimum size of US \$15 million (including DBJ's commitment, the "Minimum Closing") and shall have a size no larger than US \$20 million (the "Maximum Closing") invested in Jamaican early stage , scalable and investment-ready startups (ii) management by a private fund manager; (iii) co-investment by other investors including private investors; (iv) no government participation on the investment committee or on the Board of Directors of the fund or fund manager; (v) fund life of 10 years extendable by an additional period of not more than 2 years; (vi) targeted enterprises are early stage, scalable and investment-ready startups (vii) estimated ticket sizes of USD \$200,000 to USD \$500,000 per eligible company as part of an initial deployment (the "Initial Investment "); (viii) The Fund shall invest in the following industries: Manufacturing, agro technology, mining, tourism, technology, retail, health, mobility, fintech, and/or base-of-pyramid services or any other industry that deems appropriate to DBJ. No industry allocations shall be made for purposes of building the Fund's portfolio.

Upon approval of the Fund Manager, DBJ shall commit US \$4.9 million to the Fund, provided that, if the total Final Size of the Fund is less than US \$15 million (DBJ's commitment included), DBJ will have the option (but not the obligation) to reduce its commitment size in a ratio that is not larger than 50% of final Fund Size. For example, if the final Fund Size is \$8 million (\$4.9 million committed by DBJ and \$3.1 million committed by other Investors), DBJ has the option to reduce its commitment to \$3.1 million (or 50% of total commitments at Final Closing), effectively reducing the Final Fund Size to \$6.2 million.

1.4 Objectives and Features of the VC Fund

Objectives:

The objective of the VC Fund is to provide risk capital financing to early stage, scalable and investment-ready, Jamaica operated start-ups that have high regional or global growth potential but have not been targeted by venture capital funds. The long-term vision is to encourage the equity investment market to increase the supply of investment finance for early stage, scalable and investment-ready start-ups firms by demonstrating their financial viability, growth potential, and economic role.

The DBJ and the VC Fund Manager will monitor the following indicators for the companies receiving investments which would include, but not be limited to:

- Sales
- Employment
- Value of exports
- Value of co-investments by the private sector
- New products introduced
- New markets expanded
- The Fund Managers should indicate other key metrics within their proposal.

Features:

The VC Fund will be designed and governed according to the following international best practices and principles of:

- Commercial orientation and market practices
- Professional and independent management competitively selected, based on objective criteria linked to experience, expertise and operational capacity
- Good governance and transparency
- Financial, social, and environmental sustainability
- Market competition

Eligibility Criteria

- **Eligible Beneficiaries / Investees**

The key beneficiaries of the VC Fund will be early stage, scalable and investment-ready start-ups, that are established and require an infusion of growth equity to expand their business. Eligible firms must be able to demonstrate sustained positive cash flow and a growing customer base, immediately anteceding the investment decision.

The VC Fund shall primarily invest in the following industries: Manufacturing, agro technology, mining, tourism, technology, retail, health, mobility, fintech, and/or base-of-pyramid services or any other industry deemed appropriate to the Fund Manager and DBJ.

Additional criteria applied are: (i) the businesses receiving investment must be registered in Jamaica; (ii) the businesses receiving investment operates or intends to commence operations in Jamaica, in order to generate or expand enterprise production and employment in Jamaica.

Investees are required to provide financial and non-financial information, as required by reporting requirements, to the VC Fund Management Firm on a regular basis as defined in the Sub-financing Agreements to be entered into between the VC Fund and the beneficiaries (investees companies).

- **Eligible Private Investor Partners**

Depending on the amount of investment, the majority of investors of the VC Fund will be institutional or commercial investors – such as pension funds, insurance companies, Development Finance Institutions (DFIs), standalone funds, holding companies, banks, and others.

Investors with participation or ownership by any public entity or politically exposed persons will be required to undergo enhanced due diligence. In addition, eligible investors shall neither be, nor have been, the subject of a conviction of criminal acts, including bribery, abuse of power, and fraud, as described in the VC Fund’s governing documents.

- **Eligible Instruments and Ticket Size**

The VC Fund will provide equity, quasi-equity investments or self-liquidating structures.

The estimated ticket sizes of USD \$200,000 to USD \$500,000 per eligible per eligible companies as part of an initial deployment (the “Initial Investment “). The amount to be invested shall be determined by the Fund Manager at its sole discretion and shall be approved by the Investment Committee. The Fund shall invest up to 66 2/3% of total size at Final Closing in Initial Investments.

Once the Eligible Company becomes part of the Fund’s portfolio (the “Portfolio Company”), and subject to approval by the Investment Committee, the Fund may continue to invest in such Portfolio Company through one or additional investment rounds (the “Follow-on Investments”) for a maximum accumulative amount (including the Initial Investment) of up to 10% of the Fund’s Final Closing.

The Fund shall wait for at least 12 months after the Initial Investment before investing in a Follow-on Investment. Approval of the Investment Committee shall become effective for all subsequent investment rounds.

Financial Features

- **Management Fees**

In line with best practices, the remuneration of the VC Fund Management Firm shall reflect the current market remuneration, including management fees and profit-sharing, in comparable situations, which is ensured through the competitive bidding. They will be based on international best practices and market principles.

- **Returns**

To incentivize investment mobilization, the VC Fund could be structured to deliver asymmetric positive returns to other investors, based on the winning bid’s proposal.

Governance Framework

The VC Fund will be governed by the following documents, which are subject to Inter-American Development Bank ’s No Objection:

Document	Parties
Loan Agreement	The Inter-American Development Bank and DBJ
Operations Manual	The Inter-American Development Bank and DBJ

Applicable investment documents, which may include Limited Partnership Agreement, Subscription Agreement, Management Agreement, Prospectus, or Side Letter(s)	DBJ, VC Fund, VC Fund Management Firm, Co-Investors
Sub-Financing Agreements*	The VC Fund and Investees

* Not subject to No Objection

Fund Managers submitting proposals/applications shall present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Inter-American Development Bank's Transparency, Accountability and Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection, audit rights and the rights for the Bank to review related documentation and activities.

Investment documents must clearly state requirements such as:

- The GOJ and the members of the Advisory Committee must receive quarterly Environmental Impact Assessment Performance Reports.
- Members of the Advisory Committee, or their representatives, must have the right to visit, with reasonable notice, any of the premises of the Fund Manager, or have access to their management, records/ books, to monitor compliance or assess legal or reputational risk.
- The fund must be subject to regular independent audits.
- **The Fund and its GP/Manager may not engage in any Prohibited Practice (as detailed in the Definitions on pages 27-30).**
- Appropriate investor protections must be included, including those covering the GOJ's participation in the Fund.
- The GOJ maintains the right to terminate commitment or dissolve the Fund if the Fund has been unable to make investments within a defined period, subject to the provisions in the shareholder or Limited Partnership Agreements.
- Inter-American Development Bank Group policy requirements may not be amended without Inter-American Development Bank consent.

Once the winning bid from the Call for Proposals process has been awarded, DBJ will sign an agreement with the selected company, to ensure the company complies with the BIGEE's Project's Operations Manual and determine mutual roles and responsibilities, as well as terms and conditions of investments. Revisions and amendments to the agreement should be sent for the Inter-American Development Bank's review and it must receive no objection.

The applicable investment documents will be subject to the Inter-American Development Bank's No Objection.

The Limited Partnership Agreement (or equivalent, such as LLC or Shareholders Agreement) will outline the strategic objectives of the VC Fund, and key operational aspects of the VC Fund, such as defining the role of the manager versus the other investing partners; the governance structure (including an Investment Committee and Advisory Committee); the management fees structure; return distribution; reporting requirements/ performance evaluation, etc. These agreements will be informed by best practices and legal counsel of DBJ (to ensure proper investor protection mechanisms).

- **Role of the VC Fund Management Firm**

The VC Fund Management Firm will be solely and exclusively responsible for the investment and exit decisions. The VC Fund Management Firm will be responsible for: (i) actively seeking deals; (ii) fundraising; (iii) presenting deals to the investment committee; (iv) monitoring performance of approved investments; (v) reporting; and (vi) supporting portfolio companies.

The VC Fund Management Firm must be able to both (i) raise capital from other sources which must be at least twice that of DBJ's capital and (ii) set up a fund with minimum viable economic size of US \$15 million (including DBJ's commitment, the "Minimum Closing") and shall have a size no larger than US \$20 million (the "Maximum Closing") invested in Jamaican early stage, scalable and investment-ready startups for a VC Fund. This applies to new and existing funds. For existing funds, matching will be proportionate to DBJ's capital allocation in the fund.

The VC Fund Management Firm must be willing to comply with Inter-American Development Bank Group reporting and monitoring and evaluation requirements of investments, as described in the CFP criteria, applicable investment documents, Operations Manual, safeguards guidelines as described in the Procedures for the Environmental Impact Assessment of the Subprojects to be presented in the various Windows, Audit and Transparency, Accountability and Anti-Corruption Guidelines Clauses, as well as the Inter-American Development Bank's provisions on Conflict of Interest.

If the VC Fund is already existing and has a broader investment strategy, it must be in conformity with required policies (eg. Environmental and Social Safeguards etc.) and provide segregated reporting for the DBJ in line with the project's objective. The VC Fund Management Firm if affiliated to an institution with a broader mandate, must show how the governance of the fund would have clear accountability to shareholders, rather than to the parent company.

The government and other investors will not have any influence on the investments and exit decisions.

- **Role of DBJ**

Among other responsibilities, DBJ will be in charge of: (i) initiating and conducting a CFP process to select the VC Fund manager(s); (ii) entering into agreements on behalf of the GOJ with the VC Fund Management Firm, whose eligible application and subsequent offer has been accepted; (iii) requesting withdrawals from the Designated Account at the BOJ with the project proceeds; (iv) ensuring that mandatory Inter-American Development Bank reporting and monitoring and evaluation requirements of investments, as well as procurement and its sustainability-and-safeguards policies, are being complied with.

DBJ will not be involved in the investment decisions of the VC Fund.

- **Role of Investment Committee (IC)**

The Investment Committee (IC) will be constituted by the VC Fund Management Firm and independent members with relevant private equity expertise. There will not be any government participation on the IC or affiliation to the VC Fund Management Firm. The constitution of the IC will be defined in the Management's Agreement.

The composition of the IC is intended to reassure investor partners of the serious intent behind their decisions, no political interest capture, and good governance of the VC Fund. Decisions will be made independently based on the commercial viability of the proposals.

- **Role of Advisory Committee (AC)**

The VC Fund will have an Advisory Committee (AC) comprised of a small number of voting representatives of the investors, including the GOJ. The constitution of the AC will be defined in the applicable investment documents.

The AC will be responsible for overall oversight of the VC Fund, in line with the original objectives of the fund and Management Agreement. The AC will also be responsible for ensuring that transparency in information and decision criteria is achieved within the limits of commercially sensitive disclosure. However, the AC will not influence investment decisions.

2. Proposal Presentation

For the Proposal to be considered as pre-qualified for submission to the Investor Panel, the following minimum information should be presented:

2.1 Executive Summary

a) Company Information:

- i. Name and address of the **Applicant**, Registration Number, Taxpayer Registration Number, telephone number and email address;

b) Fund Information:

- i. Name;
- ii. Name of the Management Company;
- iii. Name of the Administration Company;
- iv. Name of the person(s) responsible for the management and administration of the **Fund**;
- v. Legal Structure (Corporation, Partnership, Trust, etc).

c) Fund Strategy:

- i. Objective: whether by sector or inter alia, local, regional, international) of the **Fund** in relation to the profile(s) of the Investee Companies;
- ii. Proposed maximum and a minimum investment of the **Fund** by sector;
- iii. Maximum and minimum investment of the **Fund** in Investee Companies;
- iv. Number of Investee Companies to be targeted
- v. Participation of the **Fund** in Investee Companies (majority/minority stakes);
- vi. Size (by assets) of the Investee Companies, at the time of investment.
- vii. Proposed instruments for the Fund and regulatory limits to the use of the instruments

d) Fund Management

- i. Duration of the **Fund**;
- ii. Period of investment and divestment;
- iii. Target minimum and maximum size of the **Fund**;
- iv. Administration and performance fees;
- v. Fundraising target, along with the **Investor Panel** and other investors;
- vi. Stage of fundraising of the **Fund**;
- vii. Commitment of capital of the management company of the **Fund**.

- e) **Legal and Regulatory requirements (if the Fund Manager is already established and if currently available)**
- i. Proof of incorporation of the Applicant and copy Articles of Incorporation;
 - ii. Proof of accreditation of the **Applicant** and of the relevant members of the management team for the **Fund** in keeping with FSC requirements; or
 - iii. Proof of submission of application for accreditation to the FSC, if applicable.

2.2 Detailed Information Required for the Investor Panel's Analysis of the Proposal

a) **Company and Management Team**

- i. Management Company – shareholding structure, history of operations, governing instrument and assets under management;
- ii. Administration Company - shareholding structure, history of operations, and assets under administration;
- iii. The person responsible for the management of the **Fund** – including Curriculum Vitae (CV), history of operations, personal references with name, address, telephone number and email contact information;
- iv. Fund Management Team – CV and personal references of each person with a name, address, telephone number and email contact information, role in the management of the **Fund**, as well as the respective time that will be dedicated by each team member.
- v. Experience/Track Record of investments into early stage ,scalable and investment-ready start-ups . The full deal sheet of all deals done, all deals that fit the early stage ,scalable and investment-ready start-ups parameters and exits achieved.
- vi. Experience/Track Record in Fundraising and using self-liquidating investment structures.
- vii. Signed acceptance, to be incorporated in any resulting contracts, confirming the application of, and compliance with, the Inter-American Development Bank's Transparency, Accountability and Anti-Corruption Guidelines, including without limitation the Inter-American Development Bank's right to sanction and the Bank's inspection and audit rights.

b) **Fund Details – General:**

- i. Total value projected for the **Fund**, duly supported by the investment thesis;
- ii. Duration of the **Fund**, detailing the investment cycle (periods of investment and divestment);
- iii. Details of management team retention policy, including the distribution rate for performance fees between the Management Company and members of the team;
- iv. Proposed strategies in using different investment structures and the associated regulatory limits applicable. Example, self-liquidating investment structures;
- v. Strategies for exiting investments;
- vi. Fundraising along with other investors, including profile, and status of negotiations;
- vii. The investment strategy for the **Fund**– target industry and sector, size and profile of the Investee Companies and the projected size of the investments;
- viii. Analysis of the investment target market, substantiated by research and citing sources, where applicable;
- ix. Pipeline information – profiles of Investee Companies.

c) **Fund Details - Financial:**

- i. The cost structure of the **Fund** along its life cycle (remuneration for the members of the team, fixed and variable costs, presented in an Excel spreadsheet);
- ii. Details of the structure of administration fees and performance fees of the **Fund**;
- iii. Assessment of specific costs associated with a VC Fund and how these costs will be covered
- iv. Projected Cash Flow of the **Fund**;
- v. Investment return goals, including simulations for baseline scenario, favorable and unfavorable with:
 - a. Rates of return on investments
 - b. Internal rate of return for the **Fund** and for the investors (net and gross).

d) Fund Details - Environmental, Social, Governance: -

- i. The governance model of the Fund in particular shareholder meetings, investment committee and councils (include other governance policies and arrangements, where applicable);
- ii. Governance model relating to Investee Companies;
- iii. Indicate any internal and external policies which encompass social, environmental and/or ethical responsibility, and provide information about these respective policies.

2.3 Deadline & Submission Method for Proposals

- I. **Proposals will be accepted in Hard Copies or Soft Copies**
- II. If Proposals are submitted via Hard Copies, both Technical and Financial Proposals must be submitted separately, simultaneously in sealed envelopes via mail or courier, or presented in person by a Proposer's representative, to the address below on or before 3:00 p.m. on the **April 5, 2022**. A thumb drive must be provided with Hard Copies as per the required format in IV below.

**Project Management Office (PMO)
Boosting Innovation, Growth and
Entrepreneurship Ecosystems (BIGEE) Programme
Development Bank of Jamaica Limited
11a-15 Oxford Road
Kingston 5, Jamaica**

- III. Proposals submitted in Soft Copies should be submitted via email to:
thinkbiggee@dbankjm.com.
- IV. Applicants must submit a soft copy of their Proposal in the following format:
 - DOC, DOCX, or PDF
 - Cost Structure, detailing the administration fee and the performance fee and Cash Flow of the **Fund**
 - (Items 2.2 c) i, ii, iii & iv) in Excel format (2016 or later).
- V. Proposals received after the submission deadline will not be accepted. **DBJ reserves the right to extend the deadline for the submission of proposals.**

2.4 Confidentiality

The Investor Panel maintains strict confidentiality standards with respect to all confidential business information in accordance with the common law and applicable statute. However, the Investor Panel will not treat as confidential or proprietary, general ideas and concepts contained within any Proposal. Any disclosure made will be in accordance with the Access to Information Act or pursuant to a court order or other process of the Court.

3 Evaluation Process

3.1 Outline of Evaluation Process

Proposals will be evaluated in a Four stage process. **The first stage** is a pre-qualification stage and examines whether the Proposal meets the minimum requirements to be submitted to the Investor Panel for the second stage.

The second stage involves a technical assessment of the pre-qualified Proposals by the Investor Panel and includes a presentation to the Investor Panel by the Applicant appearing in person or **online via Microsoft Teams, Zoom or WebEx**.

The third stage involves the assessment of the Financial Proposals (**see page 19 for Capital Investments and Fees Table to be completed as part of the submission**) by the Investor Panel.

The fourth Stage – The Applicants will be ranked based on the combined technical-price scores received after which the due diligence process will be undertaken.

3.2 Stage 1: Pre-Qualification

The first phase for analyzing the **Proposal** will consist of establishing its pre-qualification based on items detailed in Paragraphs 2.1 and 2.2 of this CFP. Failure to comply with the requirements in Items 2.1 and 2.2 and the deadline outlined in Item 2.3 will result in the rejection of the Proposal. (See preliminary Screening form for applications in Appendices).

The results of the pre-qualification assessment will be sent electronically, to the email address submitted in the Proposal. It is the Applicant's responsibility to submit and maintain relevant and up-to-date contact information.

The venue, date and time scheduled for the Applicant's presentation to the Investor Panel, where applicable, will be communicated via email to the email address submitted in the Applicant's Proposal.

3.3 Stage 2: Review by the Investor Panel

The pre-qualified Proposals will be evaluated by the Investor Panel and specially invited advisors. The presentation to the Investor Panel should be prepared in format PPT, PPTX or PDF with a maximum of 12 slides and should be submitted to the email: thinkbig@dbankjm.com at least five (5) days in advance of the presentation date.

The distribution of printed copies of the presentation to the Investor Panel by the Applicant is permissible.

Failure of the Applicant to appear at the schedule meeting as advised in the manner aforesaid will be deemed to be a withdrawal by the Applicant from the evaluation process. **(DBJ reserve the right to arrange such presentation online via Microsoft Teams, Zoom or WebEx etc.)**

3.4 Decision of the Investor Panel

- The **Proposal** will be analyzed by the Investor Panel based on the following criteria: (See Evaluation Methodology and Presentation Evaluation forms in Appendices)
 - Structure, clarity, and feasibility of the **Proposal**;
 - Clarity and consistency of the investment process and proposed exit strategy;
 - Quality of the pipeline (prospects) that can be invested by the Fund;
 - Feasibility of the cost structure presented by the **Fund** (administration fee, performance fee, expected rates of return for the investor, etc.);
 - Qualification and previous experience of the management team of the **Fund**;
 - Framework and process for monitoring of the **Fund** and the companies and funds invested;
 - Eligibility and investment objective of each member of the Investor Panel.

- After a decision has been arrived at by the Investor Panel, the Proposals will be classified into two (2) groups:
 - **Group 1 - Due Diligence:**
Due diligence to be conducted
 - **Group 2 – No Due diligence:**
No due diligence at this time, due to Fund Manager not meeting any or all of the criteria.

- Within 10 days of the presentation aforesaid, each Fund Manager will receive, from the Investor Panel, a brief, written evaluation of their **Proposal**, including the strong points, the weak points and also the concerns raised during their presentations. It is anticipated that this evaluation will assist fund managers to improve their Proposals and to address any deficiencies identified.

- For those in Group 2, the feedback will allow them to prepare for any future CFP.

- The results of the Investor Panel will be disclosed via email at the email address submitted by the **Applicant**, and it is the **Applicant's** responsibility to satisfy the due diligence requirements requested by any Member or by the Investor Panel.

- Following the due diligence procedure, the Investor Panel will continue the process of in-depth analysis of the Proposal with the Applicant in compliance with the Investor Panel's approval process.

- The decision by the Investor Panel, the analysis and the post due to diligence procedures shall not be construed as the granting of an investment contract by any Member or by the Investor Panel.

- The Applicants will be ranked based on combine technical-price scores received after which the due diligence process will be undertaken. If the selected Fund Manager does not successfully constitute a fund and raise the requisite financing within twelve (12) months of being awarded the bid, the runner up in the tender process will be automatically selected in its place.

4 Clarification of Issues

Questions arising prior to the submission of the **Proposals** should be sent by email, up to 4:30 p.m. on March 4, 2022, via email address: thinkbig@dbankjm.com

All response to clarifications will be disclosed electronically on the DBJ's website: <http://dbankjm.com/tenders-and-job-opportunity/> while respecting the Applicant's condition of anonymity.

Questions will **not** be answered by telephone or after the deadline set out in Item 6 below.

5 Investors' Terms and Preferences

The preferences of the Members as it relates to private equity investments are summarized in the **Appendices** which include the complaint mechanism. These are provided as a guide to the **Applicants** in the preparation of their Proposal.

6 Calendar

Action	Date
Issue of Call for Proposals:	February 14, 2022
Deadline for clarification of issues (Item 4.0)	up to 4.30 p.m. on March 4, 2022
Deadline to submit the Proposal (Item 2.3)	3.00 p.m. on the April 5, 2022
Announcement of Pre-qualification results (Item 3.2)	On or before April 19, 2022
Submission of Presentation slides to the Investor Panel (Item 3.3)	On or before May 4, 2022 (5 days prior to Investor Panel presentation)
Investor Panel, presentation (Item 3.3)	On or around the period May 9-13, 2022
Deadline to receive the results from the Investor Panel (Item 3.4)	Within 10 days following the Investor Panel presentation

7 Definitions

Applicant: The entity submitting a Proposal in response to the CFP.

Fund Manager: The person(s) who manages and operates private equity or venture capital funds.

Seed/Early Stage Capital: Investment in relatively young companies that are looking for capital to start or scale their operations, enter new markets or commercialize new technologies and viable business opportunities.

Innovation: Relates to the implementation of a new or significantly improved product (good or service) or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations. Three levels of novelty can be distinguished from the process of innovation: new to the firm, new to the market and new to the world.

Investee Companies: Those companies targeted by the Fund Manager as part of the portfolio in a VC or PE fund.

Investment Fund (Fund): Financial resources pooled with the objective of achieving earnings based on the equity contributions in innovative companies with elevated growth potential.

Investor Panel: Development Bank of Jamaica Limited along with other corporate and institutional investors including investors from the public as well as private sector institutions.

Jamaican Companies: This means those companies operating in Jamaica whether or not incorporated in Jamaica.

Jamaica’s MSME Definition:

Firm Size	No. of Employees	Total Annual Sales/ Turnover
Micro	≤ 5	≤US\$120K
Small	6 - 20	>US\$120K ≤ US\$600K
Medium-sized	21 - 50	>US\$600K ≤ US\$3.4 million

Source: Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF)²

SMEs as nationally defined established and operating in Jamaica with specific focus on early stage high potential businesses (i.e. start-ups and scale-ups)

Proposal: Document submitted in response to a CFP.

Prohibited Practices: with respect to any case under Section 2.1(c) (i) corrupt practices; (ii) fraudulent practices; (iii) coercive practices; (iv) collusive practices; (v) obstructive practices; and (vi) misappropriation of funds, as such terms are defined in the Transparency, Accountability and Anti-Corruption Guidelines, Procurement Guidelines or Consultant Guidelines of the Inter-American Development Bank.

Self-Liquidating Structure: a form of short- or intermediate-term credit instrument that is repaid with money generated by the assets it is used to purchase.

Start-up: A new business venture that is established from “scratch”; that is, any business venture that did not exist prior to the entrepreneur’s efforts.

Venture Capital Fund: Vehicle for investment in innovative startup and early stage companies with high growth potential. The fund usually functions in a closed regime, has innovation as the main objective, and applies high corporate governance standards as well as participates in the decision making processes of the companies in which it invests.

² Reference GOJ MSME Policy 2017
https://www.micaf.gov.jm/sites/default/files/pdfs/MSME%20and%20Entrepreneurship%20Policy%20Updated%202017_0.pdf. US equivalent at exchange rate US\$1.00: J\$125

USEFUL LINKS

Understanding Environmental and Social Risk by Inter-American Development Bank Retrieved from <https://www.iadb.org/en/about-us/sustainability-and-safeguards> ,
<https://www.iadb.org/en/projects/environmental-and-social-impact-assessments-eias#>
<https://www.iadb.org/en/topics/sustainability/about-us>

Model Subscription Agreement by Institutional Limited Partners Association Retrieved from <https://ilpa.org/model-sub-agreement/>

8. INVESTOR PANEL INVESTMENT CRITERIA

INVESTOR: DEVELOPMENT BANK OF JAMAICA

	Development Bank of Jamaica
Legal structure	Local regulation or offshore structure
Fund size	Minimum size of US\$15 million (including DBJ's commitment, the "Minimum Closing") and shall have a size no larger than US\$20 million (the "Maximum Closing") invested in Jamaican early stage , scalable and investment-ready startups
Fund Currency	Investments can be denominated in JM\$ and US\$
DBJ Participation	Up to US \$4.9 million (Up to 50% of the shares issued by the Fund). Disbursements to be made in Jamaican dollars.
Fund manager role & financial commitment	Solely and exclusively responsible for the investment and exit decisions. Investment obligation of the Fund Manager shall be at least 2% of the fund. For existing funds, the fund manager must be able match the DBJ's capital 2x.i.e raise capital from other sources which must be at least 2x DBJ's capital
Stage/size of investee companies	SMEs as nationally established and operating in Jamaica with specific focus on early stage high potential businesses (i.e. start-ups and scale-ups)
Investment thesis	Funding (including matching) should be invested in early stage, scalable and investment-ready startups in Jamaica with some flexibility on funds raised in excess of US \$15Million which could admit early stage, scalable and investment-ready startups not based in Jamaica.
Instruments	Equity, Quasi-equity and Self-Liquidating structures
Focus/Priority Sectors	The Fund shall invest in the following industries: Manufacturing, agro technology, mining, tourism, technology, retail, health, mobility, fintech, and/or base-of-pyramid services or any other industry that deems appropriate to DBJ.
Investor Participation in the Governance of the Fund	Proportional to participation and no individual investor can have power to veto decisions
	No participation on the Investment Committee. Observing member, with the same rights to information as the voting members.
	Strategic instances: Active participation as a voting member

Specific Mandatory clauses	Priority of co-investment for investors of the Fund; Key-man clause; Policy on dismissal with or without cause; Presentation of detailed Investment Policy; Presentation of detailed Information Policy; Auditing of accounts of the Fund with specific audit in relation to the pre-operating costs, management and performance metrics; Treatment of conflicts of interest; Environmental, Social and Governance Policies.
Duration of the fund	10 years extendable by an additional period of not more than 2 years

APPENDICES

EVALUATION CRITERIA

The minimum required score for the Technical Evaluation is seventy (70) points. Applicant whose proposals have not attained 70 or more points on the Technical evaluation will be deemed non-responsive.

The Technical Proposal will comprise of information for the following:

- ❖ Firm
- ❖ Team
- ❖ Investments Thesis
- ❖ Investment Process
- ❖ Pipeline
- ❖ Governance
- ❖ General
- ❖ Fundraising status

Financials Proposal will comprise of the following:

- ❖ Cost structure / budget
- ❖ Fees structure & Fund sustainability

Technical Component – (Weightings – 80 %) – see Technical Evaluation

Total Financial Price - (Weighting = 20 %)

Capital Investments & Fees	Firm
Fund Duration (Years)	
Hold Period(Years)	
Fund Status (New / Existing)	
Fund Formation Cost	
Management Fees paid to :	
Due Diligence Fees	
Total Capital needed for Fees + Expenses	
Total Capital Invested	
Total Capital Drawn Down	

NB. Kindly complete the above Capital Investment & Fees table above (where applicable), and include said within your Financial Proposal upon submission.

The lowest applicant price is assigned the full 20 points. The points for each subsequent proposal under consideration are calculated using the following format:

FORMULA: $\text{Lowest Applicant Price} \times 20 = P$

$\text{Other Applicant Price} \times 100$

The maximum available points is 100.

Technical Evaluation Matrix

I. Preliminary Screening of Fund Manager Application Form

Preliminary Screening Checklist, the following information must be submitted to pass this stage of the process.	Applicants Fund Information			
	Status & Remarks	Applicant 1	Applicant 2	Applicant 3
1. Fund Information:				
Name of the Management Company;	Y/N			
Name of the Administration Company;	Y/N			
Name of the person(s) responsible for the management and administration of the Fund;	Y/N			
Legal Structure (Corporation, Partnership, Trust, etc).	Y/N			
2. Fund Strategy:				
Objective: target company sector; local, regional or international	Y/N			
Proposed maximum and minimum investment of the Fund by sector;	Y/N			
Maximum and minimum investment of the Fund in (single) Investee Company;	Y/N			
Number of Investee Companies to be targeted	Y/N			
Participation of the Fund in Investee Companies (majority/minority stakes);	Y/N			
Size (by assets) of the Investee Companies, at the time of investment.	Y/N			
3. Fund Management				
Duration of the Fund;	Y/N			
Period of investment and divestment;	Y/N			
Target minimum and maximum size of the Fund;	Y/N			
Administration and performance fees;	Y/N			

Fund raising target, along with the Panel and other investors;	Y/N			
Stage of fund raising of the Fund;	Y/N			
Commitment of capital of the management company of the Fund.	Y/N			
4. Legal and Regulatory requirements				
Proof of incorporation of the Applicant and copy Articles of Incorporation; (Yes or no)	Y/N			
Proof of accreditation of applicant and relevant members of management team by FSC; or submission of application (If Applicable).	Y/N			
5. Signed acceptance				
To be incorporated in any resulting contracts, confirming application of, and compliance with, the Inter-American Development Bank's Transparency, Accountability and Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection, audit rights and the rights for the Bank to review related documentation and activities must be included in all proposals	Y/N			

II. Presentation Evaluation forms

NAME OF THE FUND			
NAME OF THE FIRM			
CRITERIA	Points	Scores	Questions / notes
FIRM (Maximum points 20)	20		
Long term strategy (2.5 points)			
Proven experience with VC (5 points)			
Financial strength (5 points)			
Fund manager financial commitment (2.5 points)			
Management style (bank VC /consulting firm / co-management) (2.5 points)			
Quality of the Networking (2.5 points)			
TEAM (Maximum points 14)	14		
Dedication to the fund / Key man (2 points)			
Qualification and previous experience of the team (2 points)			
Individual experience (2 points)			
Time working together (2 points)			
Adhesion of the team to the fund investment thesis (complementary skills) (2 points)			
Retention policy (2 points)			
INVESTMENT THESIS (Maximum points 18)	18		
Investment strategy (5 points)			
Sector Focus (5 points)			
Proposal attractiveness (How compelling is the investment thesis) (5 points)			
Structure, clarity, and feasibility of the proposal (3 points)			
INVESTMENT PROCESS (Maximum points 19)	19		
Investment process in place (5 points)			
Pipeline origination (5 points)			
Value added by Fund Manager to companies (4 points)			
Consistency of the exit strategy (3 points)			
PIPELINE (Maximum points 13)	13		
Quality of the companies (alignment with the focus of the fund, as well as the growth potential of the companies presented) (5 points)			
Negotiation status (3 points)			
GOVERNANCE (Maximum points 12)	12		
Governance structure (4 points)			
Conflicts of interest resolution (3 points)			
Documents presented (3 points)			
Environmental, social, and economic engagement / Principles of responsible investments (PRI) and other ESG guidelines (2 points)			

GENERAL (Maximum points 4)			
Framework and process for monitoring of the fund and the companies invested (2 points)	4		
Eligibility and investment objective of each member of the panel (2 points)			
Total Score	100		

III. Investor Panel Due Diligence Questionnaire

Name of Fund:

Ratings 1-5 Select a rating from 1-5 for each section

Criteria (weight)	Weight	Elements	Assessment	Rating	Weighted Score
Fund / Fund Manager Structure	0.15				-
Type of Fund Structure	0.30	Country of Incorporation Geographic Area of Activity Legal Status Size of Fund raise			-
Investment Professionals & Advisors	0.30	Organization Structure Legal Status Adequate Staffing Number of Investment Professionals Quality of Advisors Time commitment of Investment Professionals			-
Alignment of Interest	0.20	Sponsor's wiliness to make cash commitments Financial Stability of Fund Manager Other Obligations of Fund Manager Conflict Resolution			-
Remuneration to Management	0.20	Compensation package Bonuses Participation in carried interest			-

Total	1.00				-
Management Team	0.20				-
Experience with Business Advisory Services	0.20	Experience with providing technical assistance to SMEs Value Added by Fund Manager to portfolio companies			-
Investment expertise	0.16	Previous experience from equity investments with track record Sectorial Expertise Strong general business sense			- 0 0
Local knowledge	0.12	Knows local conditions (economic, political etc.) Worked in the region Strong focus on the less developed countries			- 0 0
Network in region	0.12	Networked with banks and financial institutions Networked in potential investee companies Real, significant presence in several of the countries			- 0 0
Organization	0.12	Current fund mgmt. organization Needed infrastructure Reasonable cost structure			- 0 0
Drive and ambition	0.08	Dynamic and fast moving Ambitious with drive Interest in taking on the role			- 0 0
Independence	0.08	Non-political with no conflicts of interest Not involved in "competing" or conflicting activities			- 0
Reputation	0.08	Well known in region Respected with "seniority"			- 0
Ability to attract private funds	0.04	Able to enter with own funds or other private capital in a significant scale			- 0
Total	1.00	☒			-
Presence / Deal Flow	0.15				-
Networking	0.20	Fund Managers visibility Sourcing Strategy			- - -
Pipeline & Deal Flow	0.50	Quality of potential market			-

		Indicative pipeline Deal Flow Quality of pipeline & Deal Flow			
Competitive Advantage	0.30	Marketing Plan Corporate Image Corporate Governance			- - -
Total	1.00				-
Investment Strategy	0.30				-
Size & Stage of Target Companies	0.25	Size of Fund raise Debt-equity mix How many investments expected Types of Investments Size of Investments			-
Diversification	0.25	Sector selection & outlook Sector diversification Allocation to Jamaica Geographic diversification			-
Exposure Limits	0.25	Limits per investment in single entity Limit per sector Portfolio company ownership			-
Expected Returns	0.25	Hurdle Rate Expected cash flow projections Cost Structure Fees Structure			-
Total	1.00				-
Monitoring & Exit	0.20				-
Monitoring Portfolio of companies	0.35	Level of involvement in portfolio company Auditing of portfolio companies Reporting frequency			-
Reporting to fund investors	0.20	Frequency of report Reporting contents Information Technology - IT systems in Place Auditing of Fund			-
Valuation	0.20	Method of valuation Frequency of valuation			-
Exit		Strategy for Exit			-

	0.25	Competences of Mgmt. team in Exit		
Total	1.00			-

FINAL SCORING	1.00			-
----------------------	-------------	--	--	---

Due Diligence Questionnaire Assessment Summary		
Criteria (weight)	Weight	Weighted Score
Fund / Fund Manager Structure	15%	0%
Management Team 0.2	20%	0%
Presence / Deal Flow 0.15	15%	0%
Investment Strategy	30%	0%
Monitoring & Exit	20%	0%
FINAL SCORING	100%	0%

IV. COMPLAINT MECHANISM GUIDELINE

1. Standstill Period

1.1 The Contract shall not be awarded earlier than the expiry of the Standstill Period. The Standstill Period shall be ten (10) Business Days unless extended. The Standstill Period commences the day after the date the DBJ has transmitted to each Applicant /Proposer (that has not already been notified that it has been unsuccessful) the Notification of Intention to Award the Contract. Where only one Proposal is submitted, or if this contract is in response to an emergency situation recognized by the Bank, the Standstill Period shall not apply.

2. Notification of Intention to Award

2.1 The DBJ shall send to each Applicant /Proposer (that has not already been notified that it has been unsuccessful) the Notification of Intention to Award the Contract to the successful Applicant /Proposer. The Notification of Intention to Award shall contain, at a minimum, the following information:

- (a) the name and address of the Applicant /Proposer with whom the Employer successfully negotiated a contract;
- (b) the contract price of the successful Proposal;
- (c) the names of all Applicant /Proposer included in the short list, indicating those that submitted Proposals;
- (d) where the selection method requires, the price offered by each Applicant /Proposer as read out and as evaluated;

- (e) the overall technical scores and scores assigned for each criterion and sub-criterion to each Applicant /Proposer;
- (f) the final combined scores and the final ranking of the Applicant /Proposer;
- (g) a statement of the reason(s) why the recipient's Proposal was unsuccessful, unless the combined score in (f) above already reveals the reason;
- (h) the expiry date of the Standstill Period; and
- (i) instructions on how to request a debriefing and/or submit a complaint during the Standstill Period

3. Notification of Intention to Award

3.1 Upon expiry of the Standstill Period or any extension thereof, and upon satisfactorily addressing any complaint that has been filed within the Standstill Period, the DBJ shall, send a notification of award to the successful Applicant /Proposer, confirming the DBJ's intention to award the Contract to the successful Applicant /Proposer and requesting the successful Applicant /Proposer to sign and return the draft negotiated Contract within eight (8) Business Days from the date of receipt of such notification.

3.2 Within ten (10) Business Days from the date of notification of award such request, the Employer shall publish the Contract Award Notice which shall contain, at a minimum, the following information:

- (a) name and address of the DBJ;
- (b) name and reference number of the contract being awarded, and the selection method used;
- (c) names of the Applicant /Proposer that submitted proposals, and their proposal prices as read out at financial proposal opening, and as evaluated;
- (d) names of all Applicants /Proposers whose Proposals were rejected or were not evaluated, with the reasons therefor;
- (e) the name of the successful Applicant /Proposer, the final total contract price, the contract duration and a summary of its scope; and.

3.3 The Contract Award Notice shall be published on the DBJ's website with free access if available, or in at least one newspaper of national circulation in Jamaica, or in the official gazette. The DBJ shall also publish the contract award notice in UNDB online.

4. Debriefing by the Employer

4.1 On receipt of the DBJ's Notification of Intention to Award, an unsuccessful Applicant /Proposer has three (3) Business Days to make a written request to the DBJ for a debriefing. The DBJ shall provide a debriefing to all unsuccessful Applicant /Proposer whose request is received within this deadline.

4.2 Where a request for debriefing is received within the deadline, the DBJ shall provide a debriefing within five (5) Business Days, unless the DBJ decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the standstill period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the standstill period shall not end earlier than five (5) Business Days after the last debriefing takes place. The DBJ shall promptly inform, by the quickest means available, all Applicant /Proposer of the extended standstill period.

4.3 Where a request for debriefing is received by the DBJ later than the three (3)-Business Day deadline, the DBJ should provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Public Notice of Award of contract. Requests for debriefing received outside the three (3)-day deadline shall not lead to extension of the Standstill Period.

4.4 Debriefing of unsuccessful Applicants /Proposers may be done in writing or through an information meeting, or both, at the option of the Employer. The Applicants /Proposers shall bear their own costs of attending such a meeting.

5. Signing of Contract

5.1 The Contract shall be signed prior to the expiration of the Proposal Validity Period and promptly after expiry of the Standstill Period, specified in ITC 1.1 or any extension thereof, and upon satisfactorily addressing any complaint that has been filed within the Standstill Period.

5.2 The Consultant is expected to commence the assignment on the date and at the location specified in the Data Sheet.

6. Complaints related to the Selection and Contracting of Applicants /Proposers

6.1 The procedures for making a Procurement-related Complaint are as specified in the Data Sheet.

V. Inter-American Development Bank's Transparency, Accountability and Anti-Corruption Guidelines

1. Purpose

1.1 The Bank's Transparency, Accountability and Anti-Corruption Guidelines and this annex apply with respect to procurement under First Individual Operation under the Conditional Line of Credit for Investments Projects (CCLIP).

2. Requirements

2.1 The Bank requires that all Borrowers (including grant beneficiaries), Executing Agencies and Contracting Agencies, including members of its personnel, as well as all firms, entities and individuals participating in a Bank-financed activity acting as, inter alia, bidders, proposers, suppliers, contractors, applicants /proposers, sub-contractors, sub-Applicants /Proposers, service providers and concessionaires (including their respective officers, employees and representatives or agents, irrespective of whether the agency is express or implied), adhere to the highest ethical standards, and report to the Bank³ all suspected acts of Prohibited Practices of which they have knowledge or become aware both, during the bidding process and throughout the negotiation or execution of a contract. Prohibited Practices are: (i) corrupt practices; (ii) fraudulent practices; (iii) coercive practices; (iv) collusive practices; (v) obstructive practices; and (vi) misappropriation of funds. The Bank has established mechanisms to report allegations of Prohibited Practices. Any allegation shall be submitted to the Bank's Office of Institutional Integrity (OII) for the appropriate investigation. The

³ Information on how to present allegations of Prohibited Practices, the application of rules regarding investigation and sanctions process, and the agreement regulating the mutual recognition of sanctions among the IFI's are available on the Bank's web site (www.iadb.org/integrity)

Bank has adopted procedures to sanction those who have incurred in Prohibited Practices. The Bank also entered into an agreement with other International Financial Institutions (IFIs) to mutually recognize debarment decisions

- (a) For the purposes of this provision, the definitions of Prohibited Practices are as follows:
- (i) “*corrupt practice*” is the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
 - (ii) “*fraudulent practice*” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - (iii) “*collusive practice*” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
 - (iv) “*coercive practice*” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (v) “*obstructive practice*” is
 - (i) destroying, falsifying, altering or concealing of evidence material to an IDB Group investigation, or making false statements to investigators with the intent to impede an IDB Group investigation;
 - (ii) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an IDB Group investigation or from pursuing the investigation, or
 - (iii) acts intended to impede the exercise of the IDB Group’s contractual rights of audit or inspection provided for under Clause 2.1(f) below or access to information; and
 - (vi) “misappropriation” is the use of IDB Group financing or resources for an improper or unauthorized purpose, committed either intentionally or through reckless disregard.
- (b) If, the Bank determines that at any stage of the procurement or implementation of a contract the Borrower (including beneficiaries of grants), Executing Agencies, Contracting Agencies, any firm, entity or individual participating in a Bank-financed activity as, inter alia, bidders, proposers, suppliers, contractors, applicants /proposers , personnel, sub-contractors, sub-applicants /proposers , goods or service providers, concessionaires, (including their respective officers, employees and representatives or agents irrespective of whether the attribution is express or implied) engaged in a Prohibited Practice during the award or implementation of the contract, the Bank may:
- (i) not finance any proposal to award a contract for works, goods or services, and consulting services;
 - (ii) suspend disbursement of the operation if it is determined at any stage that an employee, agent or representative of the Borrower, Executing Agency or Employer has engaged in a Prohibited Practice;
 - (iii) declare Misprocurement and cancel, and/or accelerate repayment of the portion of a loan or grant earmarked for a contract, when there is evidence that the representative of the Borrower, or Beneficiary of a grant, has not taken the

adequate remedial measures (including, *inter alia*, providing adequate notice to the Bank upon learning of the Prohibited Practice) within a time period which the Bank considers reasonable;

- (iv) issue the firm, entity or individual a reprimand in the form of a formal letter of censure for its behavior;
 - (v) declare that a firm, entity, or individual is ineligible, either permanently or for a stated period of time, to participate and/or be awarded additional contracts financed with IDB Group resources;
 - (vi) impose other sanctions that it deems to be appropriate, among others, the restitution of funds and of fines equivalent to the reimbursement for costs associated with investigations and proceedings contemplated in the Sanctions Procedures. Such other sanctions may be imposed in addition to or in lieu of the sanctions referred above (the “abovementioned” sanctions are reprimand and debarment/ineligibility);
 - (vii) extend the sanctions imposed on any individual, entity or firm that, directly or indirectly, owns or controls a sanctioned entity, is owned or controlled by a sanctioned entity or is the object of common ownership or control with a sanctioned entity, as well as to officials, employees, affiliates or representatives or agents of a sanctioned entity who also own a sanctioned entity and / or exercise control over a sanctioned entity, even if it has not been concluded that those parties directly incurred in a Prohibited Practice; and/or
 - (viii) refer the matter to appropriate law enforcement authorities.
- (c) The provisions of Clause 2.1 (b) (i) and (ii) shall also be applicable when such parties have been temporarily suspended from eligibility to be awarded additional contracts pending a final outcome of a sanction proceeding, or otherwise.
- (d) The imposition of any action to be taken by the Bank pursuant to the provisions referred to above may be made public.
- (e) Pursuant to the Agreement for Mutual Enforcement of Debarment Decisions entered into with other IFIs, any firm, entity or individual bidding for or participating in a Bank-financed activity or acting as bidders, proposers, suppliers, contractors, applicants, personnel, sub-contractors, sub-applicants, service providers, concessionaires, personnel of the Borrower (including grant Beneficiaries), Executing Agencies or Contracting Agencies, (including their respective officers, employees, representatives and agents, irrespective of whether the attribution is expressed or implied) may be subject to a sanction. For purposes of this paragraph the term “sanction” shall mean any debarment, conditions on future contracting or any publicly-disclosed action taken in response to a violation of an IFI’s applicable framework for addressing allegations of Prohibited Practices.
- (f) The Bank requires that all applicants, bidders, proposers, suppliers, and their representatives or agents, contractors, applicants, officers or employees, sub-contractors, service providers and concessionaires permit the Bank to inspect accounts, records and other documents relating to the submission of bids and contract performance as well as to have them audited by personnel appointed by the Bank. Applicants, bidders, proposers, suppliers, and their representatives or agents, contractors, applicants, sub-contractors, sub-applicants /proposers, service providers and concessionaires shall fully assist the Bank with its investigation. The Bank also requires that all

applicants, bidders, proposers, suppliers, and their representatives or agents, contractors, applicants, personnel, sub-contractors, sub-applicants, service providers and concessionaires: (i) maintain all documents and records related to the Bank-financed activities for seven (7) years after completion of the work contemplated in the relevant contract; (ii) deliver any document necessary for the investigation of allegations of Prohibited Practices; and (iii) ensure that employees, representatives or agents of the applicants, bidders, proposers, suppliers and their representatives or agents, contractors, applicants, personnel, sub-contractors, sub-applicants, service providers or concessionaires who have knowledge that the Bank financed the activities to respond to questions from Bank personnel or any properly designated investigator, agent, auditor or consultant relating to the investigation. If the applicant, bidder, supplier and its representative or agent, contractor, consultant, personnel, sub-contractor, sub-consultant, service provider or concessionaire fails to cooperate and/or comply with the Bank's request, or otherwise obstructs the investigation, the Bank, discretionally, may take appropriate action against the applicant bidder, supplier and its agent or representative, contractor, consultant, personnel, sub-contractor, service provider or concessionaire.

- (g) If the Borrower procures goods or services, works or consulting services directly from a specialized agency, all provisions regarding Prohibited Practices and to the correspondent sanctions shall apply in their entirety to applicants, bidders, proposers, suppliers and their representatives or agents, contractors, applicants, personnel, sub-contractors, sub-applicants, service providers, and concessionaires, (including their respective officers, employees, and representatives or agents, irrespective of whether the agency is express or implied), or to any other entities that signed contracts with such specialized agency to supply such goods, works, or non-consulting services in connection with the Bank-financed activities. The Bank will retain the right to require the Borrower to invoke remedies such as contract suspension or termination. Specialized agencies shall consult the Bank's list of suspended or debarred firms and individuals. In the event a specialized agency signs a contract or purchase order with a firm or an individual suspended or debarred by the Bank, the Bank will not finance the related expenditures and will apply other remedies as appropriate.