



## REQUEST FOR EXPRESSIONS OF INTEREST CONSULTANCY SERVICES

Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme  
ASSIGNMENT: **Risk Consulting Firm to Conduct Due Diligence Checks on Angel Investors**  
PROJECT #: **JA-O0010 /JA-L1085**  
CQS No: **DBJ-021/13**  
SELECTION METHOD: **Selection Based on the Consultants' Qualifications (CQS)**

---

The Development Bank of Jamaica (DBJ) through the Government of Jamaica (GoJ) has received financing from the Inter-American Development Bank (IDB) towards the cost of Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme, specifically to support Subcomponent **II.2 Facilitating Access to capital for scalable startups** with sub activity for a Due Diligence Checks of Potential Angel Investors for the Sidecar Investment Fund.

The DBJ now invites eligible Consultants ("Firms") to indicate their interest in providing consulting services ("the Services") which require a risk consultant to undertake due diligence checks of Potential Angel Investors for the Sidecar Investment Fund, is to be conducted over a twelve (12) month period. The specific objectives of the assignment are:

- To conduct a due diligence process on required applicants for the Approved Angel Investor (AAI) designation that conforms to international best practices
- To provide researched information to support the goal of the Sidecar Fund to co-invest only with individuals of high integrity
- To mitigate the risk of any adverse impact on the reputation of the Development Bank of Jamaica resulting from the Sidecar Fund's investment partnerships

Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The qualifications criteria are:

- Team lead should have at minimum a Bachelor's degree in Risk Management or related professional qualification from a recognized tertiary institution.
- A track record of at least five (5) years working with government agencies and/or financial institutions
- Experience in similar assignments, in terms of nature of the assignment, complexity and scale, for at least five (5) years
- Must be able to perform identity checks and be able to create a social profile of the individuals being investigated
- Links into various background check databases in multiple countries

- Broad knowledge and experience in the financial services industry, and of relevant Acts and regulations governing the sector
- Certified Anti-Money Laundering Specialist (CAMS) qualification would be an asset
- Excellent writing and communication skills in English

The Terms of Reference may be downloaded from the DBJ's website: <http://www.dbankjm.com> as of **Monday, September 27, 2021**.

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 **Selection Based on the Consultants' Qualifications (CQS)** method set out in the *GN-2350-9, March 2011* on page 20, Item 3.7- 8.

**Deadline for Clarification:** All clarifications should be submitted on or before **Friday, October 08, 2021 at 3:00 PM (EST)** by sending an email to: [thinkbigjee@dbankjm.com](mailto:thinkbigjee@dbankjm.com). All responses will be posted on the DBJ's website.

Expressions of Interest must be delivered in writing to the address below (in person, or by mail, fax, or e-mail) **no later than Friday, October 15, 2021 at 3:00 p.m.**

Development Bank of Jamaica Limited  
Attn: Procurement Specialist  
Risk Consulting Firm to Conduct Due Diligence Checks on Angel Investors  
Boosting Innovation, Growth and Entrepreneurship Ecosystems  
(BIGEE) Programme  
11a-15 Oxford Road, Kingston 5  
Jamaica, West Indies  
Tel: (876) 929-4000 / (876) 619-4000  
Fax: (876) 929-6055  
**E-mail:** [thinkbigjee@dbankjm.com](mailto:thinkbigjee@dbankjm.com)

## TERMS OF REFERENCE

### *Risk Consulting Firm to Conduct Due Diligence Checks on Angel Investors*

#### BACKGROUND

Jamaica's fiscal and macroeconomic conditions improved in the years immediately preceding the COVID-19 pandemic, after decades of stagnant or negative growth, high debt to GDP ratio and fiscal deficits. The Debt to GDP ratio was reduced from 145% of GDP in 2014 to 104% of GDP in 2019 and immediately prior to the pandemic, Jamaica was experiencing an 11-year low unemployment rate, and had improved its *Ease of Doing Business* and *Poverty* indicators. However, economic growth was 1.1% during 2019. Like many countries, that indicator fell in 2020, to an official estimate of a 10.2 percent decline.

Even more so driven by the pandemic, there is need for government-targeted activities to promote robust, sustained economic growth, including policies to facilitate private sector-led activities, and support for micro, small and medium enterprises (MSMEs) and entrepreneurship.

The Jamaican Government requested support from the Inter-American Development Bank (IDB) to create new avenues for growth, and this resulted in the loan agreement that supports the Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme in Jamaica. The IDB BIGEE programme funding of US\$25M will support Jamaica's growth and employment objectives by:

- Providing support and funding for the development and strengthening of a comprehensive innovation and entrepreneurship ecosystem that builds on the currently existing initiatives
- Providing effective business services to vulnerable entrepreneurs
- Promoting a culture of entrepreneurship and innovation; and
- Democratizing access to equity through a set of funds, including venture capital (VC)

The Programme is envisioned to promote and democratize access to equity for SMEs with strong potential to grow as well as new promising enterprises through support for the Innovation Ecosystem by strengthening the network of incubators and accelerators and creating an entrepreneurial mindset through technology transfer and capacity building activities, including generating trust and an entrepreneurial mindset and culture, as well as through a Venture Capital (VC) Fund and an Angel Investment-supporting Sidecar Fund.

#### OBJECTIVE OF THE PROGRAMME

The objective of the BIGEE Programme is to improve productivity in Jamaican firms by increasing private sector investment in innovation and, ultimately, growth among startups and MSMEs. The programme is being implemented as four (4) distinct components, as follows:

- (i) Innovation and growth in established MSMEs
- (ii) Facilitating growth for scalable startups
- (iii) Promoting viable enterprises
- (iv) Project Administration and capacity building

**Component I. Innovation and growth for established SMEs (US\$8.35 Million).** This component will target established SMEs (at least seven years old) and is geared to promote efficiency and growth through the development and adoption of innovation. It will allow participant SMEs to use inputs and

factors in more productive ways (improving productive processes, creating new products, and adopting more efficient technologies, among others), therefore enabling faster growth. This component has three subcomponents:

**Subcomponent I.1 Investment in Innovation in SMEs (US\$5.40 Million)** This subcomponent will promote the increase of inputs for innovation among firms by: (i) supporting innovation in established SMEs through matching grants for investments in innovation in either processes or products; and (ii) financing public and club goods for clusters of collective use that would allow SMEs to increase their efficiency, as well as economies of scale and scope. Also, this subcomponent will finance consulting services to support potential beneficiaries with the elaboration of business or cluster plans for their proposals.

**Subcomponent I.2 Patent Development and Commercialization (US\$1.35 Million)** This component is oriented to promote innovation among firms and considers the development of: (i) commercial prospection analysis and (ii) providing matching grants for patenting. This would allow firms to identify global demand for novel products, processes or business models that would have commercial feasibility, supporting them also with appropriate intellectual property protection.

**Subcomponent I.3 Capacity Building for Technology Extension Centers for SMEs (US\$1.60 Million)** This subcomponent is intended to promote adoption of cutting-edge technology among SMEs with a global orientation by: (i) strengthening the capability of technical extension and business development centers to support firms to adopt technology and provide matchmaking services with technology suppliers; (ii) providing vouchers for extension services, and (iii) strengthening of service providers. The beneficiaries can be either public or private technology extension providers that will access the matching grants through a competitive process and will finance capacity building activities, training, improvement of existing infrastructure and equipment (laboratory, digital services and prototyping) and specialized consultancies. Services to be financed include professional services in business management, use of cloud computing, use of digital technologies for market product and services, technology development and adoption, among others.

**Component II. Facilitating innovation and growth for scalable startups (US\$8.99 Million).** This component targets scalable startups, defined as MSMEs that have proven the concept of their business model and commercial viability (and need support for acceleration given their potential for scaling up). Support in this context means both finance to accelerate operations and technical assistance to scale-up services (outreach to markets, mentoring and governance, among others). This component is structured in two subcomponents.

**Subcomponent II.1 Stimulating Deal Flow (US\$2.59 Million)** The objective of this subcomponent is to stimulate deal-flow of scalable startups by: (i) strengthening acceleration centers (public and private accelerators in Jamaica can submit proposals for strengthening their services); and (ii) providing acceleration services for scalable startups. Activities to be financed include professional and training services for these accelerators as well as equipment required for the capacity building of the scalable startups. The provision of the services of these accelerators to the startups with most growth potential will be carried out through voucher programs. For high-tech and/or advanced scalable startups, this voucher programme will also include services with international accelerators, the development and adoption costs of new cutting-edge technologies, technological missions abroad, and outreach to international accelerators.

**Subcomponent II.2 Facilitating Access to capital for scalable startups (US\$6.40 Million)** This component will allocate resources to: (i) establish a venture capital (VC) fund that will provide equity financing to early stage, scalable and investment-ready startups and (ii) capitalize a Sidecar Fund (SF) that will provide investment for ventures that are supported by an Angel Investor according to the VC policy, the DBJ will provide equity in the role of a Limited Partner.

The Venture Capital Fund (VCF) will be managed by a Fund Management Firm, selected through a competitive process. Some of the required criteria for participation and selection will include: (i) proven experience, expertise and operational capacity for VCF; (ii) professional and managerial skills; (iii) good governance and transparency practices; and (iv) proven use of financial, social and environmental standards. The Fund Management Firm will establish the Venture Capital Fund. Appropriate investment documents such as Limited Partnership agreement, subscription agreement, and other required documents will define the terms and conditions of the DBJ's participation. The SF will support scalable start-ups' access to equity by matching the support from Angel Investors on eligible ventures, that will be selected through calls for proposals and the eligible firms will need to have a financial commitment from the Angel Investors to access the investment. This component will address issues that hinder women's participation in high tech scalable start-ups. The VC and the SF are independent but complementary instruments.

**Component III: Facilitating innovation and growth for high potential startups (US\$3.47 Million).** This component will serve those potential beneficiaries (entrepreneurs and MSMEs) at the early stage that have potentially successful value propositions and that could become scalable startups. It is structured in two subcomponents.

**Subcomponent III.1 Technological Transfer (US\$600,000).** This subcomponent will foster the capabilities of the eco-system to assist entrepreneurs in valuing, transferring and commercializing the technology they have developed by: (i) creating and/ or strengthening a Tech-Transfer Office including a gap analysis, action plan and implementation of the action plan. Activities to be financed include: (a) specialized equipment; (b) specialized training; (c) infrastructure improvements; (d) training; (e) specialized services for patenting; and (f) licensing such as legal experts, technology commercialization experts. Also, by (ii) providing vouchers for corporate entrepreneurship services and capacities through open innovation, linking large firms with entrepreneurs to cooperate on innovation challenges for the established company and to provide financial and commercial support for the startup.

**Subcomponent III.2 Incubator Support (US\$2.875 Million)** This subcomponent will support the development of a pipeline of startups with high growth potential by: (i) creating and/ or strengthening current incubators centers; (ii) providing vouchers to be used in incubation centers; (iii) the creation of a Seed Capital Fund that will provide entrepreneurs with innovative ideas early stage matching grants for: ideation, business model discovery phase, prototyping, and commercialization (matching grants will finance prototyping, de-risking emerging technologies, proofs of concepts, testing and certification, access to information and professional services among others). Eligible beneficiaries are public and private incubator centers and entrepreneurs, inventors, or new startups with proposals that show high growth potential. Potential women entrepreneurs will be targeted in diffusion, awareness, mentorship programs and networking.

## OBJECTIVE OF THE ASSIGNMENT

The DBJ has capitalized a US\$1.5M Sidecar Fund (SF) as its first direct investment vehicle to support high growth potential start-ups and further stimulate investment deal flow. This Fund will partner with angel investment groups and private angel investors, providing matching investments in startup companies selected by these Investors and that meet the Fund's criteria. As part of this process, the DBJ has developed its Approved Angel Investor designation, recipients of which will have been screened and checked for AML compliance, etc. in order to reduce reputational and financial risk to the organization. The Fund will accept online applications for this designation, along with joint investor/entrepreneur applications for investment. They will be guided by Jamaica's existing Venture Capital and Private Equity Policy (VDPEP) approved in 2015 and updated in 2018. The VDPEP defines the procedures by which the DBJ can participate as a Limited Partner (LP)<sup>1</sup> anchor investor in a Venture Capital Fund, as well as risk management practices, investment constraints and monitoring and evaluation.

The DBJ is now seeking a risk consulting firm to conduct due diligence checks on angel investors who are seeking to partner with the DBJ's Sidecar Fund and who will be prospective recipients of its Approved Angel Investor (AAI) designation.

The specific objectives of the assignment are:

1. To conduct a due diligence process on required applicants for the Approved Angel Investor (AAI) designation that conforms to international best practices
2. To provide researched information to support the goal of the Sidecar Fund to co-invest only with individuals of high integrity
3. To mitigate the risk of any adverse impact on the reputation of the Development Bank of Jamaica resulting from the Sidecar Fund's investment partnerships

## SCOPE OF WORK

The selected risk consulting firm is expected to perform, at a minimum, the following tasks:

1. **Perform anti-money laundering assessments on the individual investors who will be seeking the status of DBJ - Approved Angel Investor. This should include but is not limited to:**
    - a) A local and international criminal records check that provides the criminal history of the applicant, in addition to checks for pending lawsuits/claims.
    - b) An international sanctions list check, including:
      - I. United Nations Sanctions List
      - II. Office of Foreign Assets Control of the United States Treasury Sanctions List
      - III. Inter-American Development Bank Sanctions List
    - c) ID document verification
    - d) Taxpayer Registration/Social Security Number validation
    - e) Address verification
    - f) Tax Filing location status verification
-

## **2. Perform on and off-line reputational and integrity assessments**

- a) Perform a digital footprint assessment including social media and public relations research on individual applicants for the designation
- b) Report on the potential impact of any negative findings on the reputations of the Sidecar Fund and on the Development Bank of Jamaica

### **QUALIFICATIONS**

The Risk Consulting firm will be expected to have the following capabilities and skills:

- Team lead should have at minimum a Bachelor's degree in Risk Management or related professional qualification from a recognized tertiary institution.
- A track record of at least five (5) years working with government agencies and/or financial institutions
- Experience in similar assignments, in terms of nature of the assignment, complexity and scale, for at least five (5) years
- Must be able to perform identity checks and be able to create a social profile of the individuals being investigated
- Links into various background check databases in multiple countries
- Broad knowledge and experience in the financial services industry, and of relevant Acts and regulations governing the sector
- Certified Anti-Money Laundering Specialist (CAMS) qualification would be an asset
- Excellent writing and communication skills in English

### **EXPECTED DELIVERABLES**

- Background check and risk assessment report with relevant details about each individual on whom a check is requested
- Reports to be provided via a secure, online searchable database or electronic reporting system

### **CONTACT DURATION**

The service would be provided for a period of 12 months and renewed for further periods depending on performance and mutual agreement. The Consultant must be available to start at the earliest possible time, with reports developed on demand.

### **REPORTING REQUIREMENTS**

- a) The Consulting Firm shall provide timely and accurate reports, available electronically, on the results of each background screening, as follows:

- The reports should include results of successfully completed background screenings, as well as those that could not be completed. Additional information regarding attempts made at contacting references, institutions, etc. must be included in each report, along with providing an explanation for any service that could not be completed.
- Search capabilities must be included in the reporting system to allow the Development Bank of Jamaica to perform report searches based on date, applicant's name, screening type, etc.

**PAYMENT TERMS**

- To be determined.

**LOCATION**

The Risk Consulting Firm may provide the support remotely but must adhere to the agreed turnaround times.