



REQUEST FOR EXPRESSIONS OF INTEREST CONSULTANCY SERVICES

Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme
ASSIGNMENT: International Accelerator for the Strengthening of Business Support
Intermediaries

PROJECT #: **JA-O0010 /JA-L1085**

Procurement ID #: **JA-L1085-P16507**

Associated WBS Code #: **3.2.1.1**

SELECTION METHOD: **Quality and Cost Based Selection (QCBS)**

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 the Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme, specifically to **Subcomponent III.2 Incubator Support** with sub-activity International Accelerator for the Strengthening of Business Support Intermediaries.

The consulting services (“the Services”) will require an international incubator, accelerator or consulting firm to support the development of Jamaica’s innovation-based entrepreneurial ecosystem by strengthening the capabilities of Business Service Intermediaries (BSI)s, including conducting an accreditation exercise based on previously-determined criteria. BSIs consist of business pre-incubators, incubators and accelerators that provide an array of business support resources, programmes and services to early stage entrepreneurial companies in order to generate or accelerate their growth and scaling.

Specific objectives of the assignment, based on preparatory work carried out by DBJ, are to:

- 1) Carry out training programs for BSIs to improve their sustainability and capacity to support start-ups with the potential to scale regionally and globally (up to 16 BSIs may be in the pool);
- 2) Conduct an accreditation assessment based on previously-determined criteria
- 3) To assist each trained BSI in developing strategies that will enable or maintain accreditation and make them efficient, sustainable and competitive
- 4) Support the trained BSIs in the development of a relevant international network

The DBJ now invites eligible Consultants (“Firms”) to indicate their interest in providing consultancy services for the specialized area. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to be shortlisted for the Services to be performed.

The criteria for qualification are:

- Experience in similar international BSI capacity-building assignments, in terms of nature of the assignment, complexity and scale, for at least three years
- Demonstrate a number of success cases of innovation-based entrepreneurial ecosystems supported by the accelerator or consortium members

- Demonstrate an extensive international network, including investors, incubators and accelerators spanning countries of commercial interest for Jamaica
- Team leader should have a minimum academic qualification of Master's Degree in Economics, Finance, Business Administration or a related field or equivalent with at least (5) years of relevant professional work experience in BSI capacity-building
- Extensive experience in developing innovation-based entrepreneurial ecosystems internationally
- Should have an extensive network of Mentors, Angel and Venture Capitalist investors and partners
- All experience, knowledge and partnerships should be demonstrated through contracts, letters of conformity or any equivalent.

The Terms of Reference may be downloaded from the DBJ's website: <http://www.dbankjm.com> as of as of Monday, July 18, 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 **Quality and Cost Based Selection (QCBS)**

method set out in the *GN-2350-9, March 2011* on page 10-18, Item 2.1- 2.31

Further information may be obtained by sending an email to: thinkbigee@dbankjm.com or mail to the address below.

Expressions of Interest may be delivered in writing to the address below (in person or by mail) or via email: thinkbigee@dbankjm.com **no later than Monday, August 15, 2022 at 3:00 p.m.**

Development Bank of Jamaica Limited
Attn: Procurement Specialist / Project Manager
International Accelerator for the Strengthening of Business Support Intermediaries
Boosting Innovation, Growth and Entrepreneurship Ecosystems
(BIGEE) Programme
11a-15 Oxford Road, Kingston 5
Jamaica, West Indies

TERMS OF REFERENCE

International Accelerator for the Strengthening of Business Support Intermediaries

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. The country began a rebound in 2021, showing signs of recovery especially in the Services and Goods Producing Industries, generating an official estimate of 4.6% growth compared to 2020.

The COVID-19 pandemic emphasized the 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 MSMEs 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 distinct components: (i) Innovation and growth in established MSMEs, (ii) Facilitating growth for scalable startups, (iii) Promoting viable enterprises and (iv) Project Administration and capacity building.

Component I. Innovation and growth for established SMEs (US\$8.35 Million). This component will target established SMEs (Small and Medium-sized Enterprises) of 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.

OBJECTIVES OF THE ASSIGNMENT

The DBJ is seeking an international incubator, accelerator or consulting firm to support the development of Jamaica's innovation-based entrepreneurial ecosystem by strengthening the capabilities of Business Service Intermediaries (BSI)s, including conducting an accreditation exercise based on previously-determined criteria. BSIs consist of business pre-incubators, incubators and accelerators that provide an array of business support resources, programmes and services to early stage entrepreneurial companies in order to generate or accelerate their growth and scaling. These resources could include physical space, capital, coaching, business advising services, and networking connections.

Specific objectives of the assignment are:

- 5) Carry out training programs for BSIs to improve their sustainability and capacity to support start-ups with the potential to scale regionally and globally (up to 16 BSIs may be in the pool);
- 6) Conduct an accreditation assessment based on previously-determined criteria
- 7) To assist each trained BSI in developing strategies that will enable or maintain accreditation and make them efficient, sustainable and competitive
- 8) Support the trained BSIs in the development of a relevant international network

SCOPE OF WORK

1) Carry out training programs for BSIs to improve their sustainability and their capacity to provide expert support to MSME clients with the potential to grow and scale within and beyond the LatAm region. including:

- a) Definition of outcomes and targets of the training
- b) Development of training content, material and activities, customized to each group of BSIs: pre-incubators, incubators and accelerators
- c) Delivery of training, combining on-site (traveling restrictions permitting) and remote modalities.

Indicative training topics are:

- (i) Basics of entrepreneurial ecosystem development and how to properly position their BSI
- (ii) Business incubator management, including defining incubator/accelerator strengths, specialization and marketplace positioning
- (iii) Marketing to potential clients based on competitive advantage/specialization
- (iv) Ideal executive management and/or coaching staff
- (v) Fundraising and revenue stream development for sustainable incubator/accelerator operations
- (vi) Building targeted programming/services for clients
- (vii) Designing remote and on-site programming to support high-growth potential clients
- (viii) Building capacity to provide expert support to clients
- (ix) The role of pre-incubators, incubators and accelerators in supporting the technology commercialization process
- (x) Identifying, and then acquiring facility and other tangible assets for clients

- (xi) Developing business, revenue and pricing models for high growth potential clients
- (xii) Setting graduation policies
- (xiii) Setting up a business mentoring programme
- (xiv) Building an effective local and international incubator network that supports high growth potential clients
- (xv) Understanding equity and debt instruments and investment deal flow
- (xvi) Initial and follow-on fundraising for early-stage clients, including bootstrapping, angel and venture capital investment
- (xvii)** Developing entrepreneurial competencies, business training curricula such as the Business Model Canvas and the LEAN Start-up Toolkit

2) Conduct an accreditation assessment based on previously-determined criteria

- a) Desk review of operational documents of BSI candidates based on the previously-developed accreditation process
- b) Assessment of the operations of each BSI to determine the extent to which they meet the requirements for accreditation. This may include physical or virtual interviews with members of the BSI's administration and stakeholders.

3) Develop the strategies to improve each BSI's effectiveness, including:

- a) Definition of requisites for individual BSIs to attain or maintain accreditation
- b) With the help of an international mentor, support each trained BSI in developing an Institutional Strengthening Plan, including sustainability strategies to maintain/improve operations based on the accreditation requirements and Key Performance Indicators

4) Support each group of BSIs in the development of a relevant international network *including connections to incubators and accelerators in developed ecosystems*

QUALIFICATIONS

The International Accelerator/Incubator or consulting firm is expected to meet the following experience and qualifications:

- Experience in similar international BSI capacity-building assignments, in terms of nature of the assignment, complexity and scale, for at least three years
- Demonstrate a number of success cases of innovation-based entrepreneurial ecosystems supported by the accelerator or consortium members
- Demonstrate an extensive international network, including investors, incubators and accelerators spanning countries of commercial interest for Jamaica
- Team leader should have a minimum academic qualification of Master's Degree in Economics, Finance, Business Administration or a related field or equivalent with at least (5) years of relevant professional work experience in BSI capacity-building
- Extensive experience in developing innovation-based entrepreneurial ecosystems internationally

- Should have an extensive network of Mentors, Angel and Venture Capitalist investors and partners
- All experience, knowledge and partnerships should be demonstrated through contracts, letters of conformity or any equivalent.

EXPECTED DELIVERABLES

The deliverables will include the following reports/Programme documents:

- Execution of the BSI training programme
- Accreditation process completed
- Institutional Strengthening Plan submitted by each BSI
- Final Report on the BSI capacity-building programme, including participant surveys and document containing all training materials

REPORTING MECHANISMS

The International Accelerator will report for day-to-day activities to the Technical Coordinator for Intermediary Relations and will liaise with BIGEE staff assigned to contribute to the Programme.

CONTRACT DURATION AND RATE

The Contract will last for 9 months.

INDICATIVE PAYMENT TERMS

Payments will be tied to the approval of deliverables as follows:

Deliverables	Payment Terms
Upon contract signature	10%
BSI Training programme completed	30%
Accreditation process completed	30%
Institutional Strengthening Plan submitted by each BSI; and Final Report on the BSI Capacity-Building Programme, including participant surveys and document containing all training materials	30%

LOCATION

The consultancy service will be executed in Jamaica (travelling restrictions permitting) and remotely.

Expression of Interest

Candidates should submit their Expression of Interest for shortlisting. The shortlisted firms will be required to provide detailed specific methodologies and activities to meet all specific objectives of the consultancy in response to the request for proposal, building on the documents listed as annexes in this TOR.

ANNEXES

- BIGEE Operations Manual (summary)
- Operational Manual for the Strengthening of Pre-incubators, Incubators and Accelerators
- Research Report - Support to Jamaica's Ecosystem - VC and Angel Investing
- Jamaica's Innovation Ecosystem for BIGEE_Jan 2021
- Assessment of Jamaica Innovation Ecosystem - Beecher Report 2018
Gap Analysis and Needs Assessment Report
Design of Intervention for Strengthening Incubators and Accelerators