  

**CLARIFICATIONS I**

**CALL FOR PROPOSAL**

**Issued on: October 10, 2022**

**For**

**Fund Manager(s) for the Establishment and Management of Venture Capital (VC) Fund**

**Procuring Entity: Development Bank of Jamaica Limited**

November 16,2022

**CLARIFICATIONS I: TO CALL FOR PROPOSAL**

During the seminar held on October 27 2022, a requirement was outlined that GPs of a fund should commit 2-5% of the fund total and this cannot be contributed from the management fees. This requirement partially correlates to the RFP on page 20, where it states the fund manager should commit at least 2% to the fund, however there's no mention of restrictions on source of those funds. Based on this, please clarify the following:

1. Does the commit have to come from the "GP" or managing partners of the fund management firm or can it be sourced from other shareholders in the fund management firm?

**Ans:** *The guiding principle of the GP commitment is that it should represent personally meaningful commitments from the senior members of the management team. How they fund such a commitment is their individual decision.*

1. Can the fund manager commit by financed with fee waivers or by carry?

***Ans:*** *Management fees should be fully utilised to manage the fund. The fund manager is free to make economic arrangements involving future carry.*

1. Given the nascent VC ecosystem in Jamaica and lack of lending products for fund managers to finance GP commits by debt, will the DBJ be willing to finance the fund manager through existing DBJ products, once qualified, to meet GP commitment requirements?

**Ans:** *No*

1. Can the fund manager contribute equity from existing investments off their balance sheet to the fund as part of their 2% or greater counterpart funding?

**Ans**: *This arrangement would equivalent to the fund acquiring an asset from a related party, as such it would have to be consistent with the fund investment guidelines and would be subject to scrutiny by the Investment Committee and Advisory Board once constituted. Therefore the GP would have to make a substitute commitment for period prior to this as well as to cover the eventuality of the investment being declined.*

1. Given the low response rate thus far to the bid, is it possible to reduce the fund manager 2% funding requirement to attract more fund managers who may not otherwise meet these requirements?

**Ans***: It is our policy not to issue comments on the response rate of the RFP.*

1. My understanding is that the GP commit is to ensure alignment with the fund and demonstrate "skin in the game" however this has proven to be antiquated. I'll include documentation to reflect same below. If the fund manager can demonstrate alternative means of remaining vested in the success of the process, aside from carry, would this be acceptable in lieu of GP Commit to the fund?

**Ans:** *GP commitments are a widely accepted practise in the industry, to ensure alignment with LP's objectives and the DBJ wishes to see such commitments from those participating in the RFP.*

1. Is there a specific document for Inter-American Development Bank’s Transparency Accountability and Anti-Corruption Guideline that my firm is supposed to sign? It is noted in section 2.2 of the RFP.

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.*

Or will a letter from the prospective applicant stating that we will adhere to those guidelines be sufficient for this requirement?

**Ans:**Please note, the Letter of Acceptance as per the Inter-American Development Bank’s Transparency Accountability and Anti-Corruption Guideline will be made available on the DBJ website. All prospective applicants, partaking in the procurement process will be required to complete Letter of Acceptance and submit said with their proposals.