



**ACCESS TO FINANCE FOR MSMEs PROJECT  
(Financed by the World Bank)**

**JM-DBJ-145241-CS-CCP**

**DEVELOPMENT BANK OF JAMAICA LIMITED**

**CALL FOR PROPOSALS**

**FROM**

**LOCAL AND INTERNATIONAL**

**PRIVATE EQUITY FUNDS**

**FOR**

**Fund Manager(s) for the Establishment and  
Management of Small and Medium Enterprises  
(SME) Fund(s)**

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## 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 Access to Finance for Micro, Small and Medium Enterprises (MSMEs) Project. 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 Small and Medium Enterprises (SME) 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 International Bank for Reconstruction and Development (IBRD) in the form of a loan toward the cost of the Access to Finance for MSMEs (A2F) Project. DBJ is the implementing agency of the Project.

Component 2 of the Project, which is aimed at supporting an SME Fund, will contribute capital of up to US\$5M as an investment in one or more funds that will, in turn, provide risk capital for SMEs with high growth potential and with a locus of activity in Jamaica. Access to risk capital along with capacity building from a professional fund manager 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 Private Equity (PE) 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 JV Capital and A2F projects, 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 SME 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 in order to develop the framework for the selection of one or more qualified Fund Managers which will undertake investments in eligible SMEs in Jamaica through appropriate investment vehicles.<sup>1</sup>The 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 US\$15 million invested in Jamaican SMEs (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 5 years; (vi) targeted enterprises are SMEs, as nationally defined, that are 'established', i.e. enterprises with sustained positive cash flow and a growing customer base, which require infusion of growth equity to expand their business; (vii) estimated ticket sizes of USD \$100K to USD \$2 million and (viii) provide technical assistance to SMEs to relieve capacity constraints (viii) fund will be sector-neutral in its investment strategy.

Private investors will be required to invest at least twice the amount invested in the respective Fund(s) by the GOJ, represented by DBJ. DBJ, will invest a total of US\$ 5 million in the Fund(s), and private investors will, in aggregate, commit at least US\$ 10 million in matching funds. For example, if DBJ invests US\$3 million in Fund A and US \$2 million in Fund B, investors will be required to invest at least US\$6 million in Fund A and US \$4 million in Fund B.

#### 1.4 Objectives and Features of the SME Fund

##### **Objectives:**

The objective of the SME Fund is to provide risk capital financing to established SMEs that have high growth potential and operations in Jamaica but have not been targeted by private equity funds. The long-term vision is to encourage the equity investment market to increase the supply of investment finance for established firms by demonstrating their financial viability, growth potential, and economic role.

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<sup>1</sup> there could be some flexibility on funds raised in excess of US\$15 which could admit SMEs not based in Jamaica.

The DBJ and the SME Fund Manager will monitor the following indicators for the SMEs participation in the SME Fund, in J\$ and US\$ where applicable in line with the objective of the Fund:

- Sales
- Employment
- Volume of exports
- Volume of co-investments by the private sector
- New products introduced
- Number of training received by SMEs

#### **Features:**

The SME 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 SME Fund will be SMEs, as nationally defined and updated in 2017<sup>2</sup>, 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 SME Fund will be sector-neutral, with exceptions described in the project's Environmental and Social Management Framework (ESMF). SMEs seeking financing for very high-risk projects (Category A of the World Bank Safeguard policies OP/BP 4.01<sup>3</sup>) and/or activities included in the WBG Exclusion List are not eligible.

Additional criteria applied are: (i) the SME has a legal form in Jamaica; (ii) the SME 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 SME Fund Management Firm on a regular basis as defined in the Sub-financing Agreements to be entered into between the SME Fund and the beneficiaries (investees companies).

- **Eligible Private Investor Partners**

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

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<sup>2</sup> Definition of MSME as defined by Ministry of Industry, Commerce Agriculture & Fisheries <https://www.micaf.gov.jm/content/msme-sector>

<sup>3</sup> World Bank Safeguards Policy Ext Op manual - BP 4.01 - Environmental Assessment. (n.d.). Retrieved from [https://www.worldbank.org/en/webarchives/archive?url=httpzxxweb.worldbank.org/archive/website01541/WEB/0\\_\\_-2804.HTM](https://www.worldbank.org/en/webarchives/archive?url=httpzxxweb.worldbank.org/archive/website01541/WEB/0__-2804.HTM)

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 SME Fund’s governing documents.

- **Eligible Instruments and Ticket Size**

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

The estimated minimum and maximum ticket sizes are US\$ 100,000 and US\$ 2 million respectively.

Investees may receive follow-on financing. A maximum of 10% of the SME Fund’s capital may be invested in one investee, with a possible increase to 15% (contingent on permission from the SME Fund’s Advisory Committee, as defined in the Shareholders Agreement).

### Financial Features

- **Management Fees**

In line with best practices, the remuneration of the SME 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 co-investment mobilization the SME Fund could be structured to deliver asymmetric positive returns to co-investors, based on the winning bid’s proposal.

- **Technical Assistance**

Technical assistance / grant facility would be available to the SME Fund in order to support the economic viability of the fund.

### Governance Framework

The SME Fund will be governed by the following documents, which are subject to World Bank’s No Objection:

Document	Parties
Loan Agreement	The World Bank and DBJ
Operations Manual	The World Bank and DBJ
Applicable investment documents, which may include Limited Partnership Agreement, Subscription Agreement, Management Agreement, Prospectus, or Side Letter(s)	DBJ, SME Fund, SME Fund Management Firm, Co-Investors
Sub-Financing Agreements*	The SME 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 World Bank’s 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 & Social (E&S) 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 Sanctionable Practices (as detailed in the Definitions on page 17).
- 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.
- World Bank Group policy requirements may not be amended without World 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 A2F'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 World Bank's review and it must receive no objection.

The applicable investment documents will be subject to the World Bank's No Objection.

The Limited Partnership Agreement (or equivalent, such as LLC or Shareholders Agreement) will outline the strategic objectives of the SME Fund, and key operational aspects of the SME 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 SME Fund Management Firm**

The SME Fund Management Firm will be solely and exclusively responsible for the investment and exit decisions. The SME 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 SME 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 (typically US\$15 million for an SME Fund). This applies to new and existing funds. For existing funds, matching will be proportionate to DBJ's capital allocation in the fund.

The SME Fund Management Firm must be willing to comply with World Bank 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 ESMF, Audit and Anti-Fraud/Corruption Clauses, as well as the World Bank's provisions on Conflict of Interest.



If the SME Fund is already existing and has a broader investment strategy, it must be in conformity with required policies (eg. ESG etc.) and provide segregated reporting for the DBJ in line with the project's objective. The SME 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 SME Fund manager(s); (ii) entering into agreements on behalf of the GOJ with the SME 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 World Bank reporting and monitoring and evaluation requirements of investments, as well as procurement and safeguards policies, are being complied with.

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

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

The Investment Committee (IC) will be constituted by the SME 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 SME 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 SME Fund. Decisions will be made independently based on the commercial viability of the proposals.

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

The SME 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 SME 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 SMEs. The full deal sheet of all deals done, all deals that fit the SME parameters and exits achieved.
- vi. Experience/Track Record in Fundraising and using self-liquidating investment structures.
- vii. Experience/Track Record in using Technical Assistance (TA) and managing a TA facility in parallel to a Fund.
- viii. Signed acceptance, to be incorporated in any resulting contracts, confirming the application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World 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 an SME 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 **July 31, 2020**. A thumb drive must be provided with Hard Copies as per the required format in IV below.

**The Project Implementation Unit (PIU),  
Access to Finance for MSMEs Project  
Development Bank of Jamaica Limited  
11a-15 Oxford Road  
Kingston 5, Jamaica**

- III. Proposals submitted in Soft Copies should be submitted via email to:  
**accesstofinance@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 two-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 an 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 selection of the Applicant for detailed due diligence will be determined upon the conclusion of the second stage.

### 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: [accesstofinance@dbankjm.com](mailto:accesstofinance@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 the scores received after the due diligence is completed. If the selected Fund Manager does not successfully constitute a fund and raise the requisite financing within nine (9) 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 to the following address: [accesstofinance@dbankjm.com](mailto:accesstofinance@dbankjm.com)

All explanations will be disclosed electronically on a weekly basis on the 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.

## 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:	June 23, 2020
Deadline for clarification of issues (Item 4.0)	up to 4.30 p.m. on July 17, 2020
Deadline to submit the Proposal (Item 2.3)	3.00 p.m. on the [ July 31, 2020]
Announcement of Pre-qualification results (Item 3.2)	On or before [ August 21, 2020]
Submission of Presentation slides to the Investor Panel (Item 3.3)	On or before [ September 4, 2020] (5 days prior to Investor Panel presentation)
Investor Panel, presentation (Item 3.3)	On or around the period [September 14-18, 2020]
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.

**Growth/Expansion Capital:** Investment in relatively mature companies that are looking for capital to expand or restructure operations, enter new markets or finance a significant acquisition without a change of control of the business.

**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)<sup>4</sup>

**Private Equity Fund:** Vehicle for investment in private companies, through buyouts, buy-ins, expansion or replacement capital. The fund usually functions in a closed regime and applies high corporate governance standards as well as participates in the decision making processes of the companies in which it invests.

**Proposal:** Document submitted in response to a CFP.

**Sanctionable Practices:** with respect to any case under Section 1.01(c)(i), a corrupt, fraudulent, coercive, collusive or obstructive practice, as such terms are defined in the Anti-Corruption Guidelines, Procurement Guidelines or Consultant Guidelines of the World 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.

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<sup>4</sup> Reference GOJ MSME Policy 2017  
[https://www.micaf.gov.jm/sites/default/files/pdfs/MSME%20and%20Entrepreneurship%20Policy%20Updated%202017\\_0.pdf](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 the International Finance Corporation as part of the World Bank's Group E&S Risk Management Retrieved from

<https://firstforsustainability.org/risk-management/understanding-environmental-and-social-risk/>

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
<b>Legal structure</b>	Local regulation or offshore structure
<b>Fund size</b>	Not less than US\$15M
<b>Fund Currency</b>	Investments can be denominated in JM\$ and US\$
<b>DBJ Participation</b>	Up to US\$5 million (Up to 33.33% of the shares issued by the Fund). Disbursements to be made in Jamaican dollars.
<b>Fund manager role &amp; financial commitment</b>	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
<b>Stage/size of investee companies</b>	SMEs as nationally defined established and operating in Jamaica
<b>Investment thesis</b>	. Funding (including matching) should be invested in SMEs in Jamaica with some flexibility on funds raised in excess of US\$15 which could admit SMEs not based in Jamaica.
<b>Instruments</b>	Equity, Quasi-equity and Self-Liquidating structures
<b>Focus/Priority Sectors</b>	Sector neutral
<b>Investor Participation in the Governance of the Fund</b>	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
<b>Specific Mandatory clauses</b>	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.
<b>Duration of the fund</b>	10 years extendable by an additional period of not more than 5 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 %)

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

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

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		
		1	2	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			
<b>4. Legal and Regulatory requirements</b>				
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			
<b>5. Signed acceptance</b>				
To be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's 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

<b>NAME OF THE FUND</b>			
<b>NAME OF THE FIRM</b>			
<b>CRITERIA</b>	<b>Points</b>	<b>Scores</b>	<b>Questions / notes</b>
<b>FIRM (Maximum points 20)</b>	20		
Long term strategy (2.5 points)			
Proven experience with PE (5 points)			
Financial strength (5 points)			
Fund manager financial commitment (2.5 points)			
Management style (bank PE /consulting firm / co-management) (2.5 points)			
Quality of the Networking (2.5 points)			
<b>TEAM (Maximum points 14)</b>	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)			
Presentation & team participation (2 points)			
<b>INVESTMENT THESIS (Maximum points 18)</b>	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)			
<b>INVESTMENT PROCESS (Maximum points 19)</b>	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)			
Framework and process for monitoring of the fund and the companies invested (2 points)			
<b>PIPELINE (Maximum points 13)</b>	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)			
Competitive advantage of companies / innovation (5 points)			
<b>GOVERNANCE (Maximum points 12)</b>			
Governance structure (4 points)			

Conflicts of interest resolution <b>(3 points)</b>	12		
Documents presented <b>(3 points)</b>			
Environmental, social, and economic engagement / Principles of responsible investments (PRI) and other ESG guidelines <b>(2 points)</b>			
<b>GENERAL (Maximum points 4)</b>			
Framework and process for monitoring of the fund and the companies invested <b>(2 points)</b>	4		
Eligibility and investment objective of each member of the panel <b>(2 points)</b>			
<b>Total Score</b>	<b>100</b>		

### 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
<b>Fund / Fund Manager Structure</b>	<b>0.15</b>				-
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			-
<b>Total</b>	<b>1.00</b>				-
<b>Management Team</b>	<b>0.20</b>				-
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			0
		Strong general business sense			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
<b>Total</b>	<b>1.00</b>	☒			-
<b>Presence / Deal Flow</b>	<b>0.15</b>				-
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			- - -
<b>Total</b>	<b>1.00</b>				-
<b>Investment Strategy</b>	<b>0.30</b>				-



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			-
<b>Total</b>	<b>1.00</b>				-
<b>Monitoring &amp; Exit</b>	<b>0.20</b>				-
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	0.25	Strategy for Exit Competences of Mgmt. team in Exit			-
<b>Total</b>	<b>1.00</b>				-
<b>FINAL SCORING</b>	<b>1.00</b>				-

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%
<b>FINAL SCORING</b>	<b>100%</b>	<b>0%</b>

#### IV. COMPLAINT MECHANISM GUIDELINE

- |   |   |
|---|---|
| <b>Standstill Period</b>                  | 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 Applicants/Proposers (that has not already been notified that it has been unsuccessful) the Notification of Intention to Award the Contract.  |
| <b>Notification of Intention to Award</b> | 1.2 The DBJ shall send to each Fund Manager/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: <ul style="list-style-type: none"> <li>(a) the name and address of the Applicant/Proposer with whom the DBJ successfully negotiated a contract;</li> <li>(b) the contract price of the successful Proposal;</li> <li>(c) the names of all Applicants/Proposers included in the short list, indicating those that submitted Proposals and were selected for due diligence;</li> <li>(d) where the selection method requires, the price offered by each Applicants/Proposers as read out and as evaluated;</li> <li>(e) the overall technical scores and scores assigned for each criterion and sub-criterion to each Applicants/Proposers;</li> <li>(f) the final combined scores and the final ranking of the Applicants/Proposers;</li> <li>(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;</li> <li>(h) the expiry date of the Standstill Period; and</li> <li>(i) instructions on how to request a debriefing and/or submit a complaint during the Standstill Period.</li> </ul> |
| <b>Notification of Award</b>              | 1.3 Upon expiry of the Standstill Period, or any extension thereof, and upon satisfactorily addressing any complaint that has been filed within the Standstill Period, DBJ shall, send a notification of award to the successful Applicant/Proposer confirming 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.

#### Contract Award Notice

Within ten (10) Business Days from the date of notification of award such request, DBJ 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 Applicants/Proposers 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 consultant, the final total contract price, the contract duration and a summary of its scope; and.

#### **Debriefing**

- 1.4 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
- 1.5 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 DBJ for a debriefing. The Client shall provide a debriefing to all unsuccessful Applicants/Proposers whose request is received within this deadline.
- 1.6 Where a request for debriefing is received within the deadline, DBJ shall provide a debriefing within five (5) Business Days, unless 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. DBJ shall promptly inform, by the quickest means available, all Applicants/Proposers of the extended standstill period
- 1.7 Where a request for debriefing is received by the DBJ later than the three (3)-Business Day deadline, 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.
- 1.8 Debriefings of unsuccessful Applicants/Proposers may be done in writing or verbally. The Applicants/Proposers shall bear their own costs of attending such a debriefing meeting

#### **Signing of Contract**

- 1.9 The Contract shall be signed promptly after expiry of the Standstill Period, or any extension thereof, and upon satisfactorily addressing any complaint that has been filed within the Standstill Period.
- 1.10 The Applicant/Proposer is expected to commence the assignment on the date and at the location specified by DBJ.

## V. WORLD BANK'S FRAUD AND CORRUPTION GUIDELINES

### 1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

### 2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:
  - i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
  - ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain 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 to influence 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:
    - (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
    - (b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- d. Pursuant to the Bank's Anti-Corruption Guidelines, and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or

otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>5</sup> (ii) to be a nominated<sup>6</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;

- e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>7</sup> all accounts, records and other documents relating to the procurement.

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- 1 For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.
  - 2 A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.
  - 3 Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.