

Investment Readiness (IR) Grant Overview

1. Investment Readiness Grants (IR): Will involve grant funding to start-up and early-stage enterprises that show business and investment promise but are still not considered “investment ready” by investors. The purpose of these grants will be to prepare companies for angel (or other relevant sources) investment within a short time frame (targeting 3-6 months) by providing funding for specified purposes that improve the prospects for investment. IR grants will be provided to entrepreneurs on the basis of an assessment of the ability of the enterprise to hit key business milestones in the near-term.
2. Investment Readiness Grants will be available in the amount of up to \$25,000. The determination of the grant size will depend on the stage of company development, the scale and type of proposed activities, the timeframe for the implementation of proposed activities (should not exceed 6 months), approved project budget and the assessment of management’s ability to execute. Careful consideration will be given to the size of the award so as not to crowd out future investor participation.

3.

INVESTMENT READINESS GRANTS (IR)	
FUNDING USES	MVP development, product development and/or testing, market testing, IP protection, sales and business development, organizational development.
RECIPIENT	Start-ups and early-stage enterprises.
GRANT SIZE/TERM	Up to \$25,000 for project costs that will be completed in 3-6 months
FEATURES	Funds are to be used within a 6 month period for the purposes outlined in the proposal

4. Company Eligibility

Each company applying for an Investment Readiness Grant must meet the following eligibility criteria:

- Be a company legally registered in and/or operating in a CARIFORUM country (with the exception of Haiti and the Dominican Republic).
- Be a start-up, early-stage enterprise¹.
- Be actively seeking angel or other private investment.
- Is not engaging in activities that are on the negative list in the Environmental and Social Management Framework.

5. Evaluation Criteria

Applications for Investment Readiness Grants will be evaluated based on the following criteria:

- Management credentials and the ability of the company to deliver against project goals.

¹ Start-Up: Pre-Product/Service or Pre-Revenue. Early Stage: Some Paying Customers. Growth Stage: Expansion

- Demonstrated intent to raise capital from investors.
- Use of funds and adequacy of the project budget.

6. Eligible Expenses – Use of Funds

All funds must be used for product and/ business development purposes and fall within the list of eligible expenses immediately below this paragraph. Each IR-Grant application must include a project proposal and budget that identifies the use of funds. Sub-grant agreements with recipients will include conditions subsequent that prevent the misuse of grant funds, such as distributions or dividends paid to investors (either cash or shares).

The following list represents acceptable use of funds:

- Labour costs (salaries) and fees associated with delivery/on-going execution of core business functions.
- Sales and marketing activities, including those aimed at increasing potential customer base (e.g. trade fairs, trade shows, etc.).
- Equipment purchase and/or modernization.
- Advisory and training services/external consultants.
- Quality and environmental systems improvements.
- Implementation of IT solutions (e.g. website, e-commerce and multimedia).
- Market research and testing.
- Product design and development.
- Developing and testing prototypes.
- Costs in relation to applications for Intellectual Property Rights (IPR).
- Operating expenses that do not fall into the non-eligible expenses.

7. Non-Eligible Expenses – Use of Funds

The Investment Readiness Grants will NOT support activities in relation to:

- Expenses incurred where the activities being paid for have a negative impact on the physical &/ social environment using the ESMF (see Appendix I).
- Projects or activities that are on the negative list in the Environmental and Social Management Framework (ESMF)
- Repayment of funds loaned to the company by related parties, including the founder/entrepreneurs, other individuals or financial institutions.
- Activities within nature reserves or such designated areas.
- Land reclamation exceeding 50 hectares.
- Payments to cover fees levied by investors.
- Purchasing land, commodities, futures, shares, securities, or other financial

8. Non-Eligible Projects – Use of Funds

The Investment Readiness Grants will **NOT** support activities in relation to:

- Projects that have a negative impact on the physical &/ social environment using (ESMF).
- Projects or activities that are on the negative list in the Environmental and Social Management Framework (ESMF), among others:
 - Tobacco production, processing, storage.
 - Projects that involve alteration to rivers or other natural environments.
 - Mining Projects.
 - Logging Projects.

- Adult Entertainment Projects.
- Gambling Projects.
- Property Development.

The World Bank and/or Caribbean Export may during the course of the CIFP grants administration period determine other activities to be ineligible for support.

9. Eligible & Non-Eligible Expenses

All IR Grant funds must be spent during the 6-month implementation period beginning when the sub-grant agreement is signed between Caribbean Export and the grant recipient. All IR grant funds can only be spent on costs incurred during the 6-month implementation period. Costs incurred prior to the signing of the contract between Caribbean Export and the grant recipient, or incurred after the 6-month implementation period, will be ineligible

10. Application Content

Companies applying for Investment Readiness Grants must complete an application and provide the following set of materials:

- A pitch deck providing an overview of the business plan that also outlines how the IR Grant will be used to achieve business milestones that make the company more investable.
- Business registration forms (articles of incorporation, e.g.).
- SME Application Social Screening Form (Annex #2 of IR Grant Overview).
- SME Application Environmental Screening Form (Annex #3 of IR Grant Overview).
- Financial statements and financial projections.
- Management résumés.

11. Application Procedure

Instructions to the Application

In preparing the application, applicants should consider the following:

- There can only be one application per company submitted.
- All applications including all information and documentation must be submitted in English.
- Only applications submitted via the LINK-Caribbean Investment Readiness Grant online portal will be considered.
- All application supporting material must be uploaded to the relevant section of the online portal (no hard copies will be accepted).
- Only complete applications will be accepted.

Failing to satisfy any of the above requirements can lead to the application being rejected.

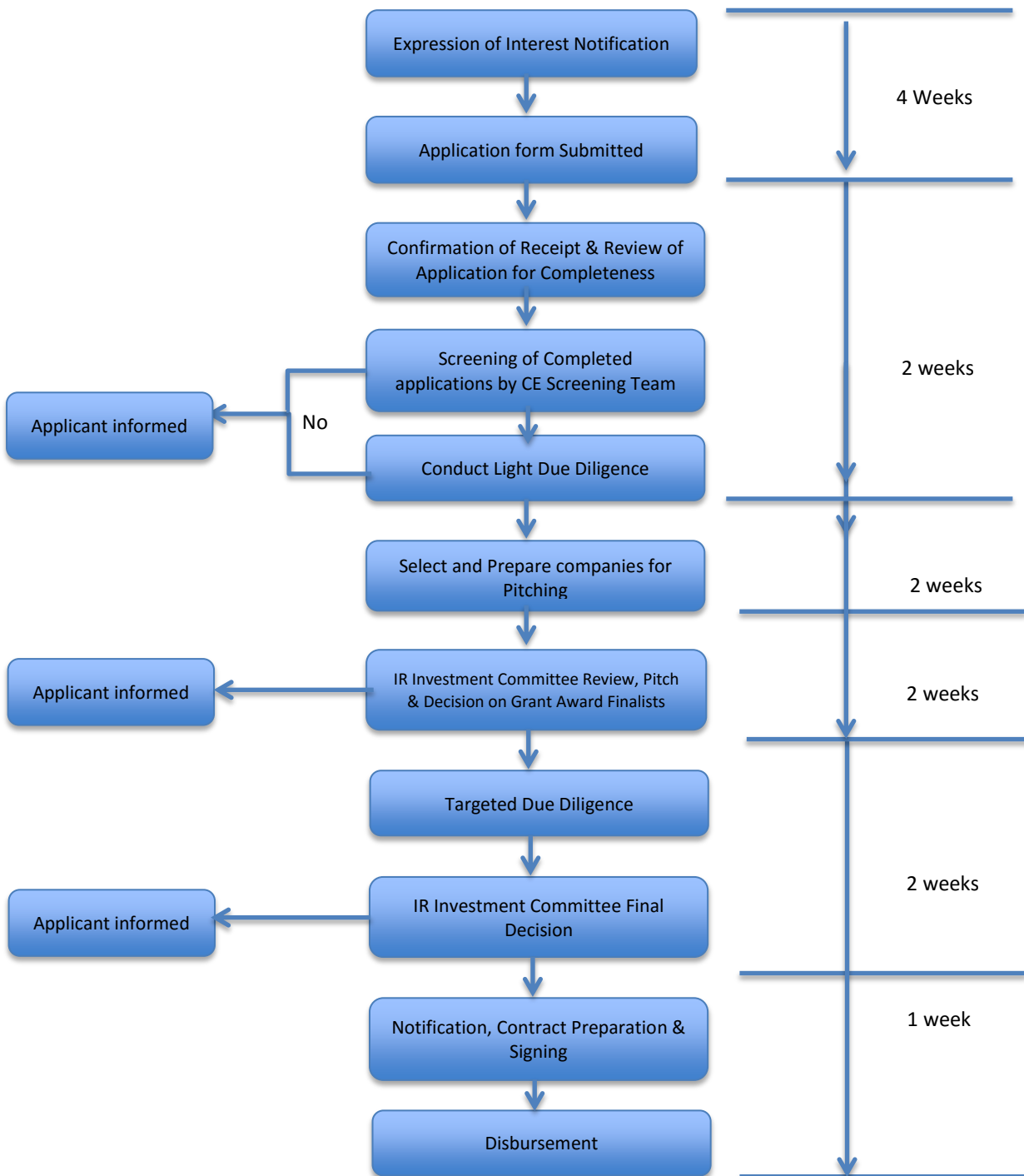
- Deadlines are absolutely firm:
 - Documents to be uploaded should be submitted well in advance of the deadline to avoid last minute system overload, bandwidth and internet issues.
 - In the unlikely event of a breakdown of the relevant server during the last working week prior to deadline, or other similar catastrophic event, the deadline may be extended at the sole discretion of Caribbean Export. A notice of this extension will be sent to all registered applicants by email, and a notice posted on the CIFP Investment Readiness online platform, and Caribbean Export's website.
- Uploading Documents:

- If applicant wishes to revise any previously uploaded document, this is acceptable once it is done prior to the application submission deadline by uploading a new version, and deleting the old version. The applicant may be required to resubmit their application in order to update it.
- The applicant is solely responsible for all relevant documents being uploaded in the appropriate section of the CIFP Investment Readiness online portal.

Application Review Process

For the comprehensive application process, see Figure 2. It is anticipated that 12 weeks will be required from the application stage to final decisions with an additional week for disbursement.

Figure 2: Investment Readiness Grant Application and Review Procedure



12. Project Evaluation and Financing Decision

Initial Application Screening

The Caribbean Export's CIFP Project Coordinator will review applications to ensure they are completely filled out and all requisite materials have been provided. If the application is incomplete, it will be rejected.

Technical Assessment and Light Due Diligence Review

Completed applications will be reviewed by a CE screening committee on project viability. Applications that pass the assessment will then be transferred to the CIFP due diligence committee (comprised of the CIFP Project Coordinator and a CE finance officer) for light due diligence where background checks will be made on the companies seeking grant funding. At this time, the ESMF instructions, checklists and questionnaires will be sent to the entrepreneur and once returned will be reviewed for completeness and eligibility (see Annex K).

Investment Readiness Grants Committee Review and Financing Decision

Applicants that pass both the technical and light due diligence review will be presented to an Investment Readiness Grants Committee to determine whether a grant is awarded or not. This team will comprise of five members including Caribbean Export's Executive Director and four others to include regional/international angel investors, potentially including representatives from existing regional angel groups and/or diaspora and international investors, as well as other qualified professionals.

The IR Committee will then make provisional selections of recipients, and request targeted due diligence be done on each of the selected applicants

The targeted due diligence outlined by the IR committee will be carried out by the Project Coordinator and a finance officer. Upon completion of the targeted due diligence, the information on all the selected applicants is then sent back to the IR Committee for a final decision. Those companies which fail the targeted due diligence process will not be selected, and will be informed. Those companies that pass the targeted due diligence process will be awarded a grant.

13. Monitoring and Reporting

The Caribbean Export Monitoring and Evaluation Officer will be responsible for ensuring adequate reporting and monitoring of all CIFP grants.

Monitoring

All program beneficiaries are expected to follow regular monitoring processes. The aim is to strengthen self-assessments of progress, improve documentation of the implementation processes, and facilitate timely modifications as needed.

In addition, field visits may be conducted, to allow the Caribbean Export to strengthen direct monitoring and technical assistance to the beneficiaries.

Caribbean Export is responsible for overall monitoring of beneficiary progress and tracking the results achieved. This information will be collected, analysed and shared through quarterly, and monthly progress reports, as well as annual program reports.

Beneficiary data and information will be captured in a matrix/database to facilitate results-based reporting, analysis across grantees, and knowledge sharing among implementing partners.

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Reporting

As part of grant administration, Caribbean Export will maintain information on SME performance in its portfolio. Follow-up on individual SMEs will be performed if deemed necessary. Caribbean Export will also require SMEs to provide the information annually, and the Agency will utilize and evaluate this information to continually improve and adapt its environmental policies and management.

Appendix I

Appendix K: ESMF Instructions, Checklists and Questionnaires

INSTRUCTIONS

The Grant Application procedure will include five steps to ensure that environmental considerations are taken into account, as summarized in the checklist below:

- Step 1: Have the Grant activities been compared to the Exclusion Checklist?
- Step 2: Has the Applicant met the basic Environmental and Social requirements?
- Step 3: If required, has a field visit been conducted and an ESMP been created?
- Step 4: Have the environmental requirements been included in the Grant agreement?
- Step 5: Has the Application been reviewed and cleared by Caribbean Export staff?

Step 1: Compare to Exclusion List

Certain projects are not eligible for financing in World Bank Projects because they are listed under International Finance Corporation (IFC) Exclusion List or because they would trigger Safeguards Policies and generate complex environmental management requirements that are not in line with the program goals or limitations. Those excluded activities are listed in Annex 1 of this ESMF.

Step 2: Application Screening to Evaluate Environmental and Social Risk

Each Applicant must complete environmental and social screening forms in order to identify if there are any relevant concerns. Annexes 2 and 3 contain the lists of screening criteria, which will be used for the initial evaluation of environmental and social risk. Completion of the screening forms will be the responsibility of Grant applicants, who must certify that all the information is correct.

Social aspects will be screened using the form in Annex 2. Many project types require environmental permits under the national or local regulations if they fall under prescribed categories. Local municipal or parish authorities may also require building and/or zoning permits for projects which change land use, emissions, or require construction. Caribbean Export shall require that applicants provide evidence that all applicable permits have been acquired. This, and other requirements are included in the screening form in Annex 3, which addresses environmental aspects.

Step 3: Field Appraisal

The applicant's proposal will be reviewed by Caribbean Export staff to validate proper consideration of environmental and social issues. If any potentially significant environmental or social issues are identified, Caribbean Export staff, or their BSO delegates or consultants, will conduct a site visit (field appraisal) in order to validate the information contained in the Grant application and to determine if there are any unresolved or pending permits, social issues, or if additional mitigation measures in need of implementing. For this purpose the checklist given in Annex 4 will be applied. However, SME interventions which are likely to have no or minimal adverse environmental and social impacts will not need to conduct a site investigation beyond the initial environmental and social screening.

If irregularities, complexities, permit gaps, unresolved social issues, or any problems are found during the screening process, a plan to correct them and improve management of the SME may be appropriate. In such case an Environmental and Social Management Plan (ESMP) would be

developed and included in the Grant application prior to approval. Guidelines for preparing an ESMP are included in Annex 5.

The proposal will be approved for funding on the condition that its adverse environmental impacts are minimal, negligible, reversible, and insignificant and can easily and cost-effectively be mitigated. If a proposed project is found to carry substantial environmental risk corresponding to a Category A, or if any of the exclusion list characteristics are met (from Annex 1), then the Grant cannot be awarded by Caribbean Export.

Step 4: Grant Conditions

Following the evaluation and screening of environmental risk, Caribbean Export is in a position to award the Grant, subject to measures being taken to control the risk, or to deny the Grant due to unacceptably high risk. Standard language for the grants relative to environmental matters is included in Annex 6. If Caribbean Export has identified any particular environmental risks associated with a particular Grant, they may wish to attach more specific conditions to the Grant to reduce the risk. Caribbean Export shall include a covenant in the Grant that the sub-project shall comply with all applicable national environmental health and safety regulatory requirements and shall not directly result in any significant negative environmental impacts.

Step 5: Review and Clearance

Caribbean Export staff will review the applicant's proposal to validate proper consideration of environmental and social issues as per the ESMF. Both desktop screening and field visits (if applicable) must be reviewed and approved, as well as an ESMP if indicated.

CHECKLISTS AND QUESTIONNAIRES

Annex #1. Exclusion List

Certain projects are not eligible for financing in World Bank Projects because they are listed under IFC Exclusion List or because they would trigger Safeguards Policies that would require restructuring. Those project activities are listed below:

- Those that are illegal under country laws, regulations or ratified international conventions and agreements
- Projects that would be classified as Category A under the World Bank OP/BP 4.01
- Projects that would involve significant conversion or degradation of natural habitats
- Projects that would involve any affect upon critical natural habitats
- Projects that would involve significant impacts on physical cultural resources
- Projects that would involve the purchase, use or management of significant quantities of pesticides
- Forest commercial harvesting that includes areas of critical forest or related critical habitat or industrial-scale projects, including plantations, that do not have independent forest certification
- Community or small-scale harvesting forest projects by small-scale landholders or local communities that do not adhere to forest management standards consistent with requirements for a forest certification system (World Bank OP 4.36, Para. 10) or have an acceptable time-bound action plan to achieve such standards.
- Projects that would directly or indirectly involve the construction of a dam greater than 10 meters in height or the use of water from a dam greater than 10 meters in height

- Weapons and munitions
- Alcoholic beverages (excluding wine and beer)²
- Tobacco³
- Gambling, casinos and equivalent enterprises⁴
- Wildlife or wildlife products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)⁵
- Radioactive materials⁶
- Unbounded asbestos fibers⁷
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest⁸
- Polychlorinated biphenyl compounds (PCBs)
- Pharmaceuticals subject to international phase outs or bans⁹
- Pesticides/herbicides subject to international phase outs or bans¹⁰
- Ozone depleting substances subject to international phase out¹¹
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Trans boundary trade in waste or waste products¹², except for non-hazardous waste destined for recycling
- Persistent Organic Pollutants (POPs)¹³
- Non-compliance with workers fundamental principles and rights at work¹⁴
- Significant degradation of a National Park or similar protected area¹⁵

²This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

³ This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

⁴ This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

⁵ www.cites.org

⁶ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where it can be demonstrated that the radioactive source is to be trivial and/or adequately shielded

⁷ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.

⁸ Primary forest is defined as relatively intact forest that has been essentially unmodified by human activity for the previous 60 to 80 years; and Tropical moist forest is generally defined as forest in areas that receive not less than 100 mm of rain in any month for two out of three years and have an annual mean temperature of 24⁰ C or higher.

⁹ Pharmaceutical products subject to phase outs or bans in United Nations, *Banned Products: Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or not Approved by Governments*. (Last version 2001, www.who.int/medicines/library/qsm/edm-qsm-2001-3/edm-qsm-2001_3.pdf)

¹⁰ Pesticides and herbicides subject to phase outs or bans included in both the Rotterdam Convention (www.pic.int) and the Stockholm Convention (www.pops.int).

¹¹ Ozone Depleting Substances (ODSs) are chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. The chemical compounds regulated by the Montreal Protocol includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents. (www.unep.org/ozone/montreal.shtml).

¹² Define by the Basel Convention (www.basel.int).

¹³ Defined by the International Convention on the reduction and elimination of persistent organic pollutants (POPs)(September 1999) and presently include the pesticides aldrin, chlordane, dieldrin, endrin, heptachlor, mirex, and toxaphene, as well as the industrial chemical chlorobenzene (www.pops.int)

¹⁴ Fundamental Principles and Rights at Work means (i) freedom of association and the effective recognition of the right to collective bargaining; (ii) prohibition of all forms of forced or compulsory labor; (iii) prohibition of child labor, including without limitation the prohibition of persons under 18 from working in hazardous conditions (which includes construction activities), persons under 18 from working at night, and that persons under 18 be found fit to work via medical examinations; (iv) elimination of discrimination in respect of employment and occupation, where discrimination is defined as any distinction, exclusion or preference based on race, color, sex, religion, political opinion, national extraction, or social origin. (International Labor Organization: www.ilo.org)

¹⁵ In addition to in-country designated areas, other areas include: natural World Heritage Sites (defined by World Heritage Convention, <http://whc.unesco.org/nwhc/pages/doc/main.htm>), United Nations List of National Parks and Protected Areas, designated wetlands of international importance (defined by RAMSAR Convention, www.ramsar.org), or selected areas (e.g., strict nature reserves/wilderness areas, natural parks, natural monuments or habitat/species management

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- Real estate speculation
- Land acquisition that would involve involuntary resettlement or land acquisition in which there is not a willing seller

Annex #2. SME Application Social Screening Form (SSF)

This Social Screening Form (ESSF) has been designed to assist in screening of SMEs for any potential adverse social impacts as part of Grant evaluation. The form is designed to place information in the hands of evaluators in the CIFP and Caribbean Export, so that impacts and their mitigation measures are determined. The Form contains information that will allow reviewers to determine the characterization of the prevailing social environment with the aim to assess the potential social negative impacts of the Grant.

1. Name of the SME:
2. Location of the SME:
3. Applicant Name:

Contact details:(person responsible for filling out this SSF)

1. Name:
2. Job title:
3. Telephone numbers:
4. Signature:

PART A: BRIEF DESCRIPTION OF SMALL AND MEDIUM ENTERPRISE

Please provide information on the type and scale of the climate change innovative technology (area, required land, approximate size of total building floor area, roads, disposal sites, water supply, energy requirements, human resources, etc.).

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PART B: SOCIAL SAFEGUARDS SCREENING FORM

	SOCIAL SAFEGUARDS INFORMATION	SCREENING	YES/NO	REMARKS/MITIGATION MEASURES
1.	Would the proposed project have social impacts that could affect disabled persons or other vulnerable groups?			
2.	Is the project likely to significantly impact gender equality and women’s empowerment ¹⁶ ?			
3.	Will the proposed project have variable impacts on different ethnic groups, or social classes?			
4.	Will the proposed project have any specific human rights implications?			

¹⁶Women are often more vulnerable than men as it relates to resource scarcity. They typically have weaker and insecure rights to the resources they manage (especially land), and spend longer hours on undertaking labour. (OECD, 2006). Women are also more often excluded from other social, economic, and political development processes.

5.	Will the proposed project marginalize or adversely affect youth ¹⁷ ?		
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N/B:

For all issues indicated by “Yes”, the applicant is expected to explain how he/she intends to mitigate them. If it is not possible, the Grant cannot be financed.

PART C. CERTIFICATION

We certify that we have thoroughly examined all the potential adverse effects of this sub-project. To the best of our knowledge, the sub-project plan as described in the application and associated information in this screening form is true and accurate.

Grant Applicant (signature):.....

PART D: FOR CARIBBEAN EXPORT USE ONLY:

Indicate whether the subproject can be considered for approval.

The application is complete, all significant environmental and social information has been provided, and any potential issues have been identified.

Indicate which social issues, if any, need to be clarified at the subproject site by a field appraisal:

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If necessary, a Field Appraisal report will be completed and added to the subproject file.

Name of Caribbean Export desk appraisal officer (print):

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Signature:.....

Date:

¹⁷The Bank is aware of the limitations of its definition of youth, but characterizes the group as persons aged 15-24.

Annex #3. SME Application Environmental Screening Form (ESF)

The checklist below will be submitted along with the Grant Application to help Caribbean Export make a preliminary decision whether a particular Applicant may exhibit compliance problems, excess environmental risk, or complex or sensitive environmental conditions. Projects that trigger any of the conditions in the checklist would be considered as potentially having significant environmental risk, and would bear further explanation or clarification by the Applicant, which should be attached to the checklist by the Applicant for subsequent evaluation and correction during the field appraisal (Annex 4) as needed

PART A: BRIEF DESCRIPTION OF SMALL AND MEDIUM ENTERPRISE

Please provide information on the type and environmental aspects of the SME (area, required land, approximate size of total building floor area, roads, air or water discharges, waste management, water supply, energy requirements, human resources, permits required, etc.).

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PART B: ENVIRONMENTAL SCREENING FORM

Please complete the checklist below (on the following page), indicating any applicable items, and by providing additional information where required. It is realized that for many startups, early-stage and growth-stage businesses, that these items will not be applicable. However all sections should be filled, by indicating 'N/A' where it is the most appropriate response.

	ENVIRONMENTAL SCREENING INFORMATION	YES	NO	N/A
1.	Does the existing enterprise require or have a valid operating permit, license, approval, etc.?			
2.	Does the existing enterprise meet all national environmental regulations regarding air, water and solid waste management, if and as applicable?			
3.	Does the existing enterprise have any significant outstanding environmental fees, fines or penalties or any other environmental liabilities? (E.g. lack of permit, legal claims, contaminated soil stained with chemical releases, waste pits, stressed vegetation, contaminated waterways)			
4.	Have there been any complaints raised by local groups regarding conditions at the facility?(E.g. Material complaints from the public, legal claims due to environmental/social issues, environmental incidents, accident of death of workers or public)			
5.	Will the sub-project generate water effluents?			
	<ul style="list-style-type: none"> If yes, would they violate any national or local standard If yes, would they be managed in accordance with applicable law 			
6.	Will the sub-project generate air emissions?			
	<ul style="list-style-type: none"> If yes, would they violate any national or local standard If yes, would they be managed in accordance with applicable law 			
7.	Will the sub-project generate noise levels that:			
	<ul style="list-style-type: none"> violates national or local noise standards? impacts sensitive receptors (housing, hospitals, schools, etc.)? 			
8.	Will the subproject consume, store, produce or utilize hazardous materials that:			
	<ul style="list-style-type: none"> require special permits or licences require licenced or trained personnel are outlawed or banned in EU or Western countries are difficult, expensive, or hard to manage are inconsistent with EHS Guidelines or recommendations have a high risk of explosion, fire, or danger to workers are vulnerable to seismic, flood, terrorist attack, or other danger 			
9.	Will the sub-project be located within or close to sensitive areas such as:			
	<ul style="list-style-type: none"> hospitals or schools housing areas historical structures buildings/areas not officially protected but recognized by the local population as significant 			
10	Do the project activities have any unsafe history, such as:			
	<ul style="list-style-type: none"> material complaints from the public legal claims against the company due to environmental or social issues significant accidents or deaths of workers or public environmental incidents or accidents (spills, dust clouds, releases, etc.) 			



PART C. CERTIFICATION

We certify that we have thoroughly examined all the potential adverse effects of this subproject. To the best of our knowledge, the subproject plan as described in the application and associated information in this screening form is true and accurate.

Grant Applicant (signature):.....