



ANNEX II - Selection Criteria

Part I: Description

Capitalised expressions utilised herein shall have the meaning attributed to them in the above-mentioned Call for Expression of Interest, unless otherwise defined below or the context requires otherwise. Unless the contrary intention appears, words in the singular include the plural and words in the plural include the singular.

1 Rationale

The purpose of the Call is to identify (a) Financial Intermediary(ies) and its / their Fund(s) to support SMEs by providing funding in the form of either equity or quasi-equity in Croatia. For this purpose and building on the experience of the predecessor programme, the Croatian Venture Capital Initiative launched in 2018, each selected VC & Acceleration Fund may consist of a combination of an Acceleration Compartment and a VC Compartment or, alternatively, may implement the strategy of only one of these compartments in the form of a VC Fund or an Acceleration Fund.

2 Indicative term sheet

See separate Annex III with Fund term sheet.

Part II: SELECTION CRITERIA

1.	ELIGIBILITY CRITERIA	System of appraisal
		Yes/ No
1.1.	The Expression of Interest is submitted within the Deadline	
1.2.	The Expression of Interest is submitted by e-mail	
1.3.	The Expression of Interest is completed and submitted in English	
1.4.	The Expression of Interest is duly signed	
1.5.	The Expression of Interest is prepared substantially in accordance with Annex I to the Call for Expression of Interest. All necessary supporting documents are provided	
1.6.	Applicant's compliance with the requirements listed in the Declaration of Honour (Appendix 4 to Expression of Interest)	
1.7.	Applicant's commitment for own investment in the Fund as requested in the Description of the Financial Instrument	
1.8.	Applicant is or will be entitled to carry out relevant implementation tasks under European Union and national law	
1.9.	Applicant has adequate economic and financial viability	
1.10.	Applicant has adequate capacity to implement the Fund, including organisational structure and governance framework	
1.11.	Applicant has or adequately demonstrates that it will establish accounting system providing accurate, complete and reliable information in a timely manner	

2.	QUALITY ASSESSMENT CRITERIA	WEIGHTING
2.1.	Project Relevance, Quality and Coherence 2.1.1. Evaluation of the Fund's focus and proposed investment strategy, including viability of Fund's size; 2.1.2. Evaluation of the Financial Intermediary's team profile, stability and ability to implement the Financial Instrument; 2.1.3. Assessment of operational, financial, technical and early stage investment competences; 2.1.4. Track record of the team of the Financial Intermediary; 2.1.5. Capability as members of boards and/or committees of an investment and/or advisory nature;	60 points

	2.1.6. Evaluation of Applicant's investment processes, including deal flow generation, ability to invest, ability to build companies and add value and exit strategy; 2.1.7. Ability to demonstrate additional activity in comparison to present activity (only applicable to existing teams).	
2.2.	Project Maturity 2.2.1. Applicant's own investment in the Fund; 2.2.2. Demonstration of ability to source deals in Croatia; 2.2.3. Demonstration of ability to raise private financing.	20 points
2.3.	Institutional Capacity & Sustainability 2.3.1. Financial Intermediary's long-term viability; 2.3.2. Assessment of the robustness and credibility of the envisaged methodology/procedures for identifying and appraising investees; 2.3.3. Assessment of the investees' advisers/pool of experts' structure to be put in place; 2.3.4. Assessment of legal structures and independence; 2.3.5. Terms and conditions applicable to the Financial Intermediary and the Fund, including management costs and fees, and incentive structure/profit share calculation methodology proposed; 2.3.6. Assessment of the alignment of interests between the Financial Intermediary and the Fund, and of the measures to mitigate possible conflicts of interest; 2.3.7. Assessment of reporting procedures; 2.3.8. Terms and conditions applied in relation to financing provided to Final Recipients, including pricing/valuation.	20 points