

**Workforce and Higher Access to Markets Activity (WHAM)
Request for Applications (RFA)**

Solicitation number: WHAM-AID-168-LA-17-007

Issuance Date: March 13, 2019

Closing Date: April 17, 2019

Total Potential Funding: USD 300,000

Expected Number of Grants: 6

Maximum Award Amount: USD 75,000

Reference: New and innovative product development.

Dear Applicant:

You are invited to submit a grant application for the implementation of the terms of references contained herein. The grants will be awarded and implemented in accordance with United States Agency for International Development (USAID) and United States Government (USG) regulations governing grants under cooperative agreements, as deemed applicable by prime USAID implementer International Executive Service Corps (IESC), and the Workforce and Higher Access to Markets (WHAM) Activity's internal grant management policies.

Please note that the **deadline for receiving Grant Applications** is 4:00 pm local time on April 17, 2019. Refer to section III Application and Submission Information for further instructions and requirements.

Applicants who have questions about the application process or about this RFA should submit them to: whamgrants@iesc.org before April 10, 2019. Please write "RFA 007" in the subject line.

This RFA contains the following attachments:

Annex 1 – Grant Application Instructions and Template

Section I. About the Program

What is the WHAM Activity and what is it trying to achieve?

The Workforce and Higher Access to Markets (WHAM) Activity is a USAID-funded program designed to stimulate job creation by advancing Bosnia and Herzegovina (BiH)'s trade integration with—and expansion into—European Union (EU) markets. This is being accomplished via a grant program open to eligible individual small and medium enterprises (SMEs), groups of SMEs with predefined internal structure, organizations working jointly

with and representing groups of SMEs (chambers of economy/commerce, regional development agencies, etc.), or a number of organizations working together. Grants will prioritize high-growth, exporting or export-ready SMEs aiming to expand capacity, reach more markets, and generate greater employment.

Background

SMEs in the BiH metal, wood and textile/footwear sectors have succeeded in achieving record results in sales and exports during the past few years. However, most of the revenue comes from lohn jobs or services to foreign customer. Very few companies export their own products. Consequently, companies depend on foreign partners for orders, future revenue and possible expansion.

Moreover, companies have little or no knowledge in developing their own products, exploring market trends, and potentials. Additionally, the lack of innovation and technical skills prevent them from pursuing this idea.

The WHAM Activity focuses on the needs of SMEs and addresses them by providing support interventions that improve BiH enterprises while striving to build sustainable capacity and tools within BiH enterprises. With this RFA, the WHAM Activity will support local SMEs, groups of companies with the same or similar needs, companies that are integrators in their segment, and/or organizations which work jointly with and represent companies to form partnerships.

What are the specific intervention areas of this RFA?

Very few companies sell their own products. Product development is a component of manufacturing that is very rudimental in BIH SMEs. Revenue percentages from their own products are typically very low and, in most cases, nonexistent.

USAID WHAM is supporting research, development, prototyping, zero series, and other technical, managerial, and sales efforts to launch new products on the market or improve/redesign existing ones. The goal of this call is to support companies achieve a higher percentage of revenue from their own products. The secondary goal is to support companies export their new products in foreign markets.

What types of support are available from the WHAM Activity?

The Activity can provide a wide range of support to potential grantees, examples of which are detailed below. Grantees are not limited to only one area of support and can request a package of assistance if it makes business sense and meets the eligibility criteria described below:

- Research new technologies, processes, and materials that will lead to new product development. Note: WHAM is ending next year, for that reason we can only support research efforts that are ready or almost ready for completion. The research needed by the applicant should not account for large portion of the activity time.
- Cost for the development of new products or prototypes of the product.
- Cost for zero series manufacturing and/or production modification or reengineering of processes.
- Cost of marketing new products on foreign markets via various channels including web pages and sales/promotion agents.

Volunteer Experts

A distinctive feature of the WHAM Activity is its ability to field volunteer experts through the activity implementer, the International Executive Service Corps (IESC). IESC maintains a large registry of experienced, senior-level professionals from business, financial institutions, IT enterprises, and other private sector institutions. IESC volunteers are experts in their industry with years of private sector experience, deep practical knowledge, and market connections. If your organization feels they can benefit from one of these experts, you can include a request for volunteer support in your grant application (detailed below).

Section II: Eligibility

Is my organization eligible to receive grant funding?

The focus of this RFA is to target SMEs that are high-growth, exporting or export-ready enterprises, and/or individual enterprises operating in the metal, wood, and textile/footwear sectors (beneficiaries) aiming to expand capacity, reach more markets, and generate greater employment. Generally, high-growth enterprises have at least 10 employees and an average annualized growth in employees greater than 20 percent per annum over three-year periods. SMEs with fewer than 10 employees with demonstrated growth and potential may be eligible to apply. All organizations must be legally registered under the laws of BiH.

Grantees may include the following types of organizations:

- Individual SMEs (integrators¹) from project targeted sectors;
- Groups of companies with a preset internal agreement and mutual strategy;
- Research and development organizations for product development;
- Sales and marketing agencies and individuals with proven success providing Sales and Market research training;

¹ Integrators are those companies that apply individually, but their business model relies on vertical integration of capacities and competencies of more than one company: more than two companies will benefit from the activity.

- For-profit organizations, training institutes, private educational entities (second and third level);
- Business incubators and technology parks; or,
- Non-governmental Organizations (NGOs), business associations, chambers of commerce and development agencies.

Additionally, applicants are required to contribute cost share and are encouraged to contribute a higher proportion of the overall costs.

Are there any restrictions on what can be funded?

The WHAM Activity will not provide grants to applications that create market distortion, nor can the grants awarded be utilized for the following:

- Ceremonies, parties, celebrations, or “representation” expenses;
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment (without the previous approval of USAID), or prohibited goods under USAID regulations, including, but not limited to, the following: abortion equipment and services, luxury goods, etc.;
- Alcoholic beverages;
- Purchase of goods or services is allowed under the U.S. Government authorized geographic code for procurement of goods and services under this award is 937; (United States, the cooperating / recipient country, and developing countries other than advanced developing countries, and excluding prohibiting sources);
- Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee; and,
- Creation of endowments.

The WHAM Activity would not consider applications from or in partnership with:

- WHAM employees, contractors, and their family members as well as employees or family members of participating sponsors;
- Selection Committee (REC) participants, providers of technical assistance (TA), and consulting services funded by the Activity; and/or,
- Entities listed in Parties Excluded from Federal Procurement or Non-Procurement Programs.

Applicants may only submit one application per the open RFA. All applications must be in line with environmental laws and regulations on environmental protection in Bosnia and Herzegovina.

Section III: Application and Submission Information

How do I apply for grant funding?

If you are an eligible organization and have a business need that aligns with the intervention areas described above, you should apply for support by submitting a maximum ten-page grant application using the Grant Application Template that can be found on the WHAM web page whambih.org in addition to other documents that are part of the grant application package (Grant Application Budget Forms Instructions, Grantee Budget Preparation Guidance, Grant Budget Form Standard and Simplified Grants Template, Indicators Example, Indicators Template, Milestones Example, Milestones Template, Environmental Review Template) Please note that grant application will only be accepted in the application format given in Annex 1 and must be completed in the English language.

Grant applications and supporting documentation should be submitted electronically to the following email address: whamgrants@iesc.org.

As for the identity of enterprises (Beneficiaries) represented by Intermediary organization (Grantee), the following information is required:

- Beneficiaries are to be identified per registration license if pre-selected (desired);
- If Beneficiaries are to be selected by the Grantee or a third party based on a future public call, the following information pertaining to the selection of prospective Beneficiaries needs to be presented:
 - Type of industry each Beneficiary belongs to;
 - Size of each Beneficiary as defined in Section II: Eligibility;
 - Kind of product(s) which each Beneficiary manufacturers.

Questions regarding the technical or administrative requirements of this RFA may be submitted by email to whamgrants@iesc.org. Questions must be submitted in writing; phone calls will not be accepted. Questions and requests for clarification—and the responses thereto—that WHAM believes may be of interest to other offerors will be circulated to all RFA recipients who have indicated an interest in submitting applications.

Only the written answers issued by IESC/WHAM will be considered official and carry weight in the RFA process and subsequent evaluation. Any verbal information received from employees of IESC/WHAM or any other entity should not be considered as an official response to any questions regarding this RFA.

Applicants that submit a grant application will be notified within 15 business days of the RFA closing date on whether they were successful.

The grant application should be accompanied by the following supporting documents and certifications:

- Copy of relevant BiH registration license

- Tax ID
- VAT number (if applicable)

How does the selection process work?

The information that you provide in the grant application will help WHAM decide if you are a suitable candidate to partner with. If your idea is sound and corresponds with the objectives of the activity, WHAM staff will contact you to discuss your plans further. Please note that preliminary acceptance of a grant application by WHAM does not constitute an agreement to award grant funding. The final decision remains with USAID.

Accepted applications will then be submitted to the WHAM selection committee for evaluation against the merit review criteria outlined in the next section. Based on this review, the selection committee will either approve, request further clarification, or reject the application. If your application is successful, it will be submitted to USAID for final review and approval. If approval of both WHAM and USAID is provided, the award will move into a final negotiation stage. Upon successful completion of this stage, the award will be finalized, and a post award management plan will be created for each grant to ensure that the award recipient will fulfill its requirements and receive the agreed upon necessary technical assistance. All awards will be monitored on an on-going basis and evaluated upon the grant award's conclusion. While some applications will be rejected outright, some will be referred to the applicant for improvements. In such cases, the WHAM team will assist with further development of the application. Unsuccessful applications will receive written feedback intended to provide guidance on how to improve the application for future consideration.

What criteria will my application be reviewed against?

Applications submitted to WHAM will be evaluated according to the following criteria:

Selection Criteria	Description	Percentage weight
1. Potential benefit from new product	Applicant(s) should describe how new product development will help its company and result in new jobs, new markets, more revenue, etc.	25
2. New product innovativeness	We value innovative products that are new to the market and can be marketable.	30
3. Estimated number of people trained/employed through this effort in the next year	Applicant(s) should estimate the expected number of people to be trained/employed by them during a period of 10 months (maximum) as a direct result of this activity.	15

4. Estimated increase in sales and revenue	Applicant(s) should describe what they expect in terms of sales and revenue increase as a result of this activity.	15
5. Organizational capacity	Applicants should demonstrate that they have the organizational and financial capacity to implement this grant	10
6. Cost-share /Leverage ratio.	Applicants must describe how the grant funding will be used and will be required to match minimum of half of the grant requested with their own funding (or leverage third-party resources). Also, evaluation may be based upon percentage amount rather than the total value of the USD amount.	5

Applications containing the following will be viewed favorably:

- Higher employment generation – please note that new jobs are defined as persons being fully employed by the applicant, or partner, which would be documented through official employment records upon grant closeout. To not disadvantage a smaller enterprise or group of smaller enterprises from applying, applications will be evaluated as a percentage increase, regardless of the actual amount.
- Higher potential for an increase in export sales documented through the creation of long lasting and profitable export result.
- Provision of effective technical assistance to a larger number of private enterprises and beneficiaries.
- Higher number of female/youth participants in selected companies.
- All other evaluation factors being equal, WHAM may assess applicants that have not received previous USAID funding more favorably. Applicants that haven't received previous USAID funding are highly encouraged to apply.

Availability of Funds and Other Considerations

Issuance of this RFA does not constitute an award commitment on the part of the Workforce and Higher Access to Markets (WHAM) or International Executive Service Corps (IESC), nor does it commit USAID or the US Government to pay for costs incurred in the preparation and submission of the grant application.

WHAM/IESC reserves the right to fund any or none of the applications submitted, to extend or shorten the due date for applications, and to make grant awards on a revised schedule. Grant awards will be subject to the availability of funding in the grant fund.