



BOSNIA AND HERZEGOVINA WORKFORCE AND HIGHER ACCESS TO MARKETS ACTIVITY (WHAM)

QUARTERLY REPORT

October 1, 2017 – December 31, 2017

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LIST OF ACRONYMS

| | |
|--------------|---|
| AO | Agreement Officer |
| AOR | Agreement Officer's Representative |
| BiH | Bosnia and Herzegovina |
| CESES | Confederation of European Senior Expert Services |
| CN | Concept note |
| CoP | Chief of Party |
| DCA | Development Credit Authority |
| DCoP | Deputy Chief of Party |
| EU | European Union |
| FBiH | Federation of Bosnia and Herzegovina |
| FTC | Foreign Trade Chamber of Bosnia and Herzegovina |
| IESC | International Executive Service Corps |
| MEL | Monitoring, Evaluating, and Learning |
| MOU | Memorandum of Understanding |
| REZ | Regional Development Agency for Central BiH Region |
| REDAH | Regional Economic Development Agency of Herzegovina |
| RFA | Request for Application |
| RDA | Regional Development Agency |
| USAID | United States Agency for International Development |
| VEGA | Volunteers for Economic Growth Alliance |
| WHAM | Workforce and Higher Access to Markets |

ACTIVITY OVERVIEW

The Balkan country of Bosnia and Herzegovina (BiH) is experiencing an estimated three percent annual growth in GDP.¹ Increasing exports and collaborating with market actors will further this growth, drive innovation, and increase opportunities for new employment and high-growth enterprise expansion. Closer interaction with the European Union (EU) and regional markets is key to the stability, growth, and renaissance of this important intersection for trade, relations, and culture between the East and West.

The Workforce and Access to Higher Markets (WHAM) Activity is designed to stimulate job creation by advancing BiH's trade integration with, and expansion into, the EU and regional markets. The Activity will accomplish this goal primarily via a grant program for BiH private enterprises. Grants will prioritize high-growth, exporting or export-ready enterprises aiming to expand capacity, reach more markets, and generate employment. The Activity's efforts focus on BiH organizations and enterprises working in, or linked to, three main sectors: wood processing, metal processing, and textile/footwear sectors.

The WHAM Activity includes the following three key intervention areas:

Intervention 1: Workforce Development. The objective of this intervention is to help high-growth enterprises source skilled employees from a qualified labor force. Presently, the BiH workforce development system is fragmented and not well-aligned with industry needs. The WHAM Activity aims to address this issue through channeling training and capacity building assistance to companies through intermediaries such as regional development agencies (RDAs), employment agencies, business associations, chambers of commerce, and educational institutions to ensure their workforce has the skills to capitalize on market opportunities, with special attention to developing a qualified cohort of young people and women. Business demand drives workforce development interventions, specifically, businesses planning expansion and new employment that need workforce training to deliver required skills for these new job opportunities.

Intervention 2: Access to Markets. The objective of this intervention is to support high-growth enterprises identify and access new customers in existing or new markets to increase exports from BiH. Many BiH enterprises export through middlemen. This limits direct links with export markets and impedes their ability to receive market signals. Although market-access activities for BiH enterprises will primarily be transaction-oriented, the WHAM Activity will also support the abilities of enterprises to collect market information and mine key international market data critical to the development of successful market strategies and engagement plans.

Intervention 3: Product Quality and Capacity Building. The objective of this intervention is to enable enterprises to meet the product and quality requirements of target markets in the EU and the region. Grant opportunities will support enterprises to achieve new market-relevant certifications and introduce new chain of custody systems. WHAM will prioritize efforts that incorporate new manufacturing processes, new technology, and greater energy efficient equipment that improve BiH high-growth enterprise competitiveness in global markets. Whenever possible, the Activity will link

¹ Three percent average GDP growth includes 2015 actuals, 2016 estimates, and 2017 forecast. Source: World Bank's June 2017 *Global Economic Prospects* report.

market access support to grantees' internal capabilities. For example, WHAM will seek to fund grant applications that respond to end market demands by making quality improvements, integrating technology in new product development, and addressing needed improvements in business management processes and strategies. WHAM will improve grantee product quality and capacity through grants that will enable high growth potential firms to acquire modern equipment, obtain new certifications, and develop business strategies that optimize these improvements to the enterprise's competitiveness.

The WHAM Activity is a USAID-funded activity administered by the Volunteers for Economic Growth Alliance (VEGA) and implemented by the International Executive Service Corps (IESC), in conjunction with local sub-recipient ENOVA. WHAM is governed under the Leader-with-Associate Cooperative Agreement No. EEM-A-00-04-00002-00, and the Associate Cooperative Agreement No. AID-168-LA-17-00001. The period of performance for the award is June 9, 2017 to June 8, 2020. The Quarterly Report is submitted in accordance with Attachment A, Section A.5 Reporting and Evaluation of the Agreement of the Associate Cooperative Agreement.

EXECUTIVE SUMMARY

This report covers the period between October 1 and December 31, 2017. Two major activities were undertaken by the Activity during this period include the following: 1) promotion of the Activity with the aim to build the interest of potential grantees and partners and 2) publication of the first request for applications (RFA) and start of the grant program.

The Activity was mostly promoted by directly reaching prospective grantees, intermediaries, and third-parties interested in leveraging funds in one-to-one meetings and by participating in public events that are related to industries WHAM supports. The total number of meetings during this reporting period is 116, most of which took place in the months of October and November. The outcome of these meetings and the Activity's presence at public events is highly positive: there is good perception of the Activity, counterparts have expressed interest in the Activity as potential grantees, intermediaries or third-parties to leverage funds. Through sharing information, many similar and complimentary interventions sponsored by the donor community and public-sector were identified and discussed for potential collaboration in the future.

The grant program began on November 23, 2017 by posting the first RFA on the Activity website.² Prior to this, the WHAM team conducted very extensive and detailed preparational work, including definition of the grant strategy, RFA drafting, design of public campaign (conducted in a "roadshow" format), and creation of the Activity's website.

Upon the publication of the first RFA, an intense promotional campaign took place within a short period of time in the month of December before the holiday season. Eight roadshow events took place between December 5 and 18. The results of the campaign are yet to be realized in the coming months, but the level of attendance (318 attendees), profile of attendees (from individual businesses to development agencies and chambers of commerce, to governmental organizations and academic community), as well as the number of questions asked, indicate a strong interest in WHAM.

² www.whambih.org

The first concept note was submitted to WHAM on December 11. This was the first of a total of four concept notes received in this reporting period. All of them were reviewed by the WHAM Selection Committee in the month of December, and feedback was delivered to the applicants.

To ensure that there are no potential legal problems in operating throughout the entire territory of Bosnia and Herzegovina, the Activity initiated the registration process for operations in Republika Srpska. Since both entity-level tax administrations are involved with this registration, it is expected that to be completed in the upcoming quarter. The Activity secured a branch office in Banja Luka and established permanent office in Sarajevo in a new location which provided great savings for the program.

The Activity Monitoring, Evaluation, and Learning (AMEL) Plan is pending USAID approval. After the latest iteration of changes and adjustments, the AMEL is expected to be approved soon.

ACTIVITY IMPLEMENTATION

A. DELIVERABLES

I. ACTIVITY MONITORING, EVALUATION AND LEARNING (AMEL) PLAN

The AMEL Plan is pending USAID approval. Since its submission in the previous quarter, the USAID MEASURE BiH team has provided several suggestions and comments, which the WHAM team have incorporated into the plan.

The essence of the comments and suggestions relates to the clarification of the role of WHAM stakeholders (partners, beneficiaries, and grantees). This required a more precise definition of each category of stakeholders and their roles in the grant process. A number of comments also pertain to the form and substance of information that is to be reported in order to accurately reflect Activity results. WHAM's monitoring, evaluation and volunteer engagement manager has been engaged with the IESC home office MEL and experts in remodeling the AMEL in accordance with the suggestions given by USAID MEASURE. The last iteration took place between December 18 and 21, when a revised AMEL was submitted for review. The expectation is that the latest version will meet the requirements set by USAID Measure.

It is important to note that the absence of a finalized and approved AMEL Plan has not had a major impact upon other WHAM activities.

Once completed, AMEL will define the type and quality of information needed to be gathered and the method of reporting by the Activity to the mission. Once defined, the Activity will begin to track and report progress internally and to USAID.

In order to ensure the data is gathered in a timely and organized manner, the program will require a database. Considering the available resources, the Activity plans to utilize one of the available software systems on the market with excel export/import capabilities, such as Airtable³ or Zoho.⁴ The business facilitators, and monitoring, evaluation and volunteer engagement manager will directly input data into

³ <https://airtable.com/>

⁴ <https://www.zoho.eu/creator/>

the database tool with all relevant information daily (e.g. employment generation), so both regular reports and ad hoc reports can be quickly generated with the most updated and accurate information for both internal and external audiences.

B. GRANTS

1. REQUEST FOR APPLICATION (RFA)

The original vision of the WHAM grant mechanism was to publish individual RFAs for each of the three specific areas of intervention. Access to markets was selected to be the first area of intervention for which a specific RFA was developed with help of expert volunteer Donagh Houlihan during September and October 2017.

After the submission of the draft RFA to USAID for review, a series of meetings with the AOR took place to discuss the approach further. The purpose of the meetings was to address the concern that this approach could potentially lead to an unbalanced number of applications and funding amounts, because the level of demand of businesses for each type of intervention was unknown. Therefore, the Activity adopted a new approach proposed by the AOR, which include the posting of a generic RFA to cover all three areas of intervention, open to both intermediary organizations and individual businesses.

The new approach required a revised RFA to cover all areas of interventions. Depending on the demand for assistance from enterprises, this would be followed by focused RFAs to cover single areas of intervention. To fully incorporate the AOR's concerns and feedback, expert volunteer Donagh Houlihan was engaged in October to develop RFAs that would reflect the new approach. Consequently, two types of RFAs were developed: a generic one and specific ones which can be targeted to both intermediary organizations and individual enterprises as applicants.

The final version of the RFA was approved by the AOR on November 2, 2017, and, per his instruction, publicly posted on the Activity's website on November 23, 2017. Respective public calls were posted on the same date in two daily newspapers: Dnevni Avaz (Federation BiH) and Nezavisne Novine (Republika Srpska). A copy of the published RFA is attached to this report as Annex 1.

2. PUBLIC CAMPAIGN ("ROADSHOW")

During this time, the WHAM staff developed a strategy for public announcements and presentations of the grant mechanism and RFA. This resulted in the creation of a schedule of events ("Roadshow"). Basic elements of the presentation were created with the assistance of expert volunteer Donagh Houlihan in October. The presentation was finalized during the last week of November and translated into local languages. Considering that the target audience may not be English-speaking, the public presentations were provided in local languages. In addition to WHAM grants, the presentation was used to promote Development Credit Authority (DCA), the



USAID Mission to BiH Economic Development Office Head, Andrew Boegel opens the presentation in Sarajevo on December 18, 2017

USAID BiH program that supports SMEs through bank commercial loans, where the risk of default is shared between the bank and USAID. This mechanism increases the credit-worthiness of small enterprises which otherwise might not be eligible for loans. The reason behind promoting both programs together was that DCA and WHAM grant funds combined may be attractive to enterprises for business growth.

Activity management ultimately decided to have eight public events in geographically strategic areas in order to cover the entire country. The Activity received assistance from major prospective partners such as Chambers of Commerce and regional development agencies (RDA) who provided their facilities free of charge. The entire public campaign was organized for the first two weeks of December considering the upcoming holiday season. Throughout the promotional campaign, WHAM representatives made a successful effort to actively engage the participants in the interactive discussion. The questions and answers from the roadshow presentations will be consolidated into a single document and uploaded to the project's official website to provide further information to future potential applicants. In addition to WHAM staff, the WHAM AOR, Mr. Vladimir Milin, actively participated in events, including answering questions and contributing to the overall success of the campaign.

A short summary of the public campaign is presented in the table below:

| No | Date | Place | Host | Number of Participants |
|----|-------------------|------------|--|------------------------|
| 1 | December 5, 2017 | Banja Luka | RS Chamber of Commerce | 50 |
| 2 | December 6, 2017 | Bihac | Una-Sana Canton Chamber of Commerce | 30 |
| 3 | December 6, 2017 | Tuzla | Chamber of Commerce of Tuzla Canton | 45 |
| 4 | December 8, 2017 | Prijedor | Local development agency PREDA | 30 |
| 5 | December 12, 2017 | Tesanj | Tesanj Regional Development Agency and Tesanj Municipality | 18 |
| 6 | December 13, 2017 | Zenica | Regional Development Agency for Central BiH Region (REZ) | 50 |
| 7 | December 14, 2017 | Mostar | INTERA Technology Park in Mostar and Regional Economic Development Agency of Herzegovina (REDAH) | 35 |
| 8 | December 18, 2017 | Sarajevo | Foreign Trade Chamber of Commerce of BiH (FTC) | 60 |

In total, the roadshow was attended by 318 participants from various types of entities qualified to be grantees, as well as organizations and third parties interested in leveraging funds. Further details can be found in Annex 2.

3. CONCEPT NOTES

The first concept note (CN) received following the publication of the Activity's first RFA in late-November arrived on December 11, 2017. The Activity received three more CNs this reporting period, which are presented in the following table.

| No. | Received Date | Organization Name | Industry sector | Area of intervention |
|----------------|---------------|---|------------------------|--|
| CN-1/17 | 12/11/2017 | MALAK Janj | Wood | Workforce development |
| CN-2/17 | 12/13/2017 | Chamber of Commerce of the Federation BiH | Metal - Auto industry | Workforce development Access to markets |
| CN-3/17 | 12/13/2017 | Chamber of Commerce RS | Combined all 3 sectors | Combined all 3 interventions |
| CN-4/17 | 12/18/2017 | Chamber of Commerce USK | Combined all 3 sectors | Combined all 3 interventions |

All concept notes were reviewed in December by the WHAM Selection Committee and additional information was requested from all applicants prior to making final proposal to USAID.

C. VOLUNTEERS

As mentioned earlier, grants expert volunteer Donagh Houlihan was engaged to support the WHAM staff create the first RFA and prepare the public campaign (“Roadshow”). Mr. Houlihan worked directly with the team in Sarajevo between October 1 and 7.

On October 23, IESC entered into a formal relationship with the Confederation of European Senior Expert Services (CESES) through the signing of a service agreement. In doing so, WHAM’s network of potential volunteers with experience in the EU market has been enhanced. The agreement will allow WHAM to engage CESES on an as-needed basis for volunteer assignments associated with the grants program.

On November 20, WHAM contacted the faculties of economics in four separate universities (Mostar-2, Banja Luka-I and Sarajevo-I) and proposed the creation of the student volunteer program, where business students would help applicants in designing grant applications. A draft Memorandum of Understanding (MoU) on the subject matter was delivered for their review and acceptance. None of the universities responded until the end of December. In the upcoming quarter, WHAM staff will make direct contacts with person(s) in charge of this issue from each university with the aim to have MoUs signed and student volunteer program running.

| VE Source | Proposed # of VE Assignments | Previous # of VE Assignments Completed | # of VE Assignments Completed in Current Period | Total # of Completed VE Assignments | Remaining # of VE Assignments |
|--------------|------------------------------|--|---|-------------------------------------|-------------------------------|
| IESC/Expat | 44 | 1 | 1 | 2 | 42 |
| IESC/Local | 37 | 0 | 0 | 0 | 42 |
| TOTAL | 81 | 1 | 1 | 2 | 79 |

| VE Source | Cost-Share Budget | Previous Cost-Share | Current Period Cost-Share | Cumulative Cost-Share | Cost-Share Remaining |
|--------------|-------------------|---------------------|---------------------------|-----------------------|----------------------|
| IESC/Expat | | | | | |
| IESC/Local | | | | | |
| TOTAL | | | | | |

D. KEY ACTIVITIES

1. MOU WITH FOREIGN TRADE CHAMBER (FTC)

A draft MoU was delivered to FTC on November 9. This chamber has an immense volume of valuable information on target industries and individual enterprises within them. The MoU would formalize a relationship between FTC and WHAM, in which the two organizations agree to share information and use FTC resources for Activity purposes. The FTC responded positively and expressed their willingness to sign it without any amendments. The MoU is expected to be signed in the month of January 2018.

2. MEETINGS WITH STAKEHOLDERS AND ENTERPRISES

The WHAM Activity has undertaken significant efforts in reaching prospective grantees and partners throughout the months of October and November, leading up to the public campaign in December. The purpose of these meetings was to: promote the Activity; find implementing partners (including ones interested to leverage funds) to contribute to the successful implementation of the Activity; gain a complete understanding of similar programs that are currently underway in Bosnia and Herzegovina; explore public-private partnership possibilities; and, identify the real needs of target industries and enterprises with respect to their problems, expectations, and plans.

The total number of meetings held was 107, out of which:

- 79 meetings were with possible partners and intermediaries;
- 15 meetings were with fast-growing SMEs; and,
- 13 meetings were with organizations qualified for public-private partnership.

General conclusions made from the outcome of meetings are:

- There is positive perception of the Activity. Counterparts have expressed their interest and willingness to cooperate with the Activity, depending on the capacity and role they may be eligible for (grantee, intermediary or third party interested to leverage funds);
- The kinds of interventions the Activity expects to provide are aligned with the existing needs of the sector, which are increasing;
- The number of similar interventions sponsored by the donor community in BiH is relatively high;
- The overall economic and social situations in Bosnia and Herzegovina have led the labor market to be primarily comprised of a low-skilled workforce. The demand for skilled workers from most employers is low, so many of the skilled workers find work abroad. It is therefore difficult for small and medium enterprises to both find and keep skilled labor force, which has had significantly adverse effects on SMEs.

A detailed list of meetings with brief notes is attached to this report as Annex 3.

3. ACTIVITY LAUNCH

Per USAID guidance, an official activity launch event will be rescheduled for the next reporting period. It was agreed that the public roadshow campaign would not be considered as the activity launch. The preference is to host an event with a tangible result or outcome, such as the signing ceremony of a MoU, Agreement, or Grant Award.

At this time, the best opportunity for such an event would be the signing of the first grant agreement with an intermediary.

MANAGEMENT AND ADMINISTRATIVE ACTIVITIES

A. WHAM WEBSITE

Although a standalone WHAM website was not originally planned in either the Agreement nor Branding and Marking Plan, the need to have it was jointly recognized by the Activity and AOR. A website would improve communication with target population, increase the interest in grants and cooperation with the activity, ease the grant application process, and enhance the promotion of the Activity.

The website design, content creation, and IT component was entirely done by the IESC Home office and Activity staff at no significant cost. Initially, WHAM solicited three competitive bids from local IT companies, but none of them was acceptable due to the high fees estimated for the website's creation, hosting, and maintenance for the three-year Activity lifespan. Therefore, it was decided to create the WHAM website using the HO and Activity staff only.

The website was approved by the AOR on October 30 and by the Mission DOC on October 31. The website went live on November 23, and has been fully operational since. The site can be accessed at www.whambih.org.

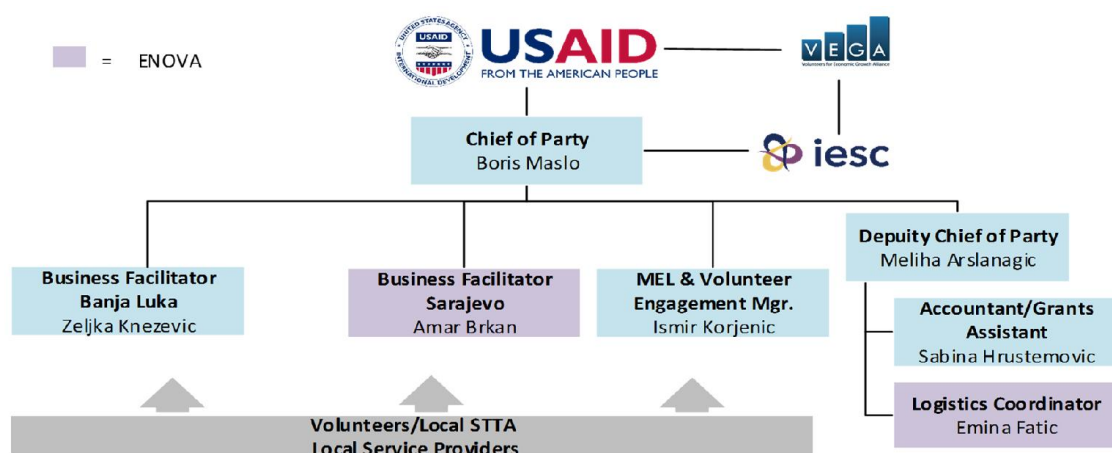
B. BANJA LUKA OFFICE SET-UP

During startup, the Activity planned to rent office space in Banja Luka within a shared office-space location, and not open a branch office. The initial assessment was that there was no need to have a registered branch office, but only premises that would provide technical conditions for work of the WHAM business facilitator in RS. In accordance with labor laws, the business facilitator in Banja Luka was registered with FBiH Tax Administration, which created specific administrative burden to the Activity when paying social contributions. After Activity operations began, it became apparent that that it would be better to be registered with RS authorities as a program, which would require a registered branch office in Banja Luka due to legal reasons related to tax laws, labor laws, etc.

A suitable office space was found and respective lease agreement finalized with the landlord on December 15. Registration of the WHAM branch office in Banja Luka has been filed with the FBiH Tax administration on December 28. The registration process with both BiH and RS is expected to be completed in January 2018. The address of the WHAM branch office in Banja Luka is Vozdovacka 10 str. 51000 Banja Luka.

C. SARAJEVO OFFICE RELOCATION

After the Activity started to operate in the premises rented during the startup, it was discovered that the property was not officially registered as an office space, but as a residency. Since having a business or project operating in a residential property is illegal and poses a liability, the landlord was asked to immediately make the situation legal at no cost to the Activity. Since the landlord was not willing to meet this demand, the lease was terminated, and other suitable and legally compliant office space rented. This new space has a lower cost, which provided savings for the Activity. The new WHAM premises are located at Danijela Ozme 1. str. 71000 Sarajevo.



The WHAM Activity staff and support staff from ENOVA and IESC home office are displayed in the following organizational chart:

| VEGA, IESC, AND ENOVA STAFF | |
|-----------------------------|---|
| NAME | POSITION |
| Coy Isaacs | Director of Programs, VEGA |
| Chad Ford | Associate Vice President, Economic Growth, IESC |
| Gabriela Kliewer | Senior Program Manager, IESC |
| David Stein | Senior Program Associate, IESC |
| Jasmin Gabela | Project Manager, ENOVA |

LESSONS LEARNED

Flexibility and parallel use of different modalities in practice are needed for success.

Considering the specificities of grantees, intermediaries and third-parties (willing to leverage funds), and their separate characteristics, the use of different approaches and modalities of communication, needs-assessments, and grant applications structuring must be done concurrently. Consequently, two RDAs may apply for grants proposing different modalities – one already used in the present or past times by other projects of USAID proved to be efficient as well as a new one, specifically designed for the business model described in the grant application (compliant with Grants Manual), which would produce the desired results.

Positive perception by its stakeholders is key for a project success. During this start-up phase, WHAM has made an effort to clearly explain its mandate and plans to all relevant stakeholders. Having a clear understanding of the Activity's implementation plans will mitigate any potential negative perception stakeholders may have due to past experiences with other projects. Also, to maintain trust in USAID-funded Activities, WHAM has used some examples with proven results from previous USAID-funded interventions.

Low responsiveness from the academic community in Bosnia and Herzegovina. There has not been any updates or developments in the student volunteer program following what were presumed to be productive meetings between WHAM and faculty members at four universities. None of the contacts at these institutions have responded to requests for further information or action. This indicates a low level of interest by the academic community to be involved in practical solutions to problems the business community faces. This keeps students “locked” and inaccessible resource for businesses. In order to solve this issue, WHAM team members will contact university officials and meet with them in person to discuss this and next steps.

ACTIVITIES PLANNED FOR NEXT REPORTING PERIOD

Since the WHAM Activity has become fully operational by launching the grant program, the activities planned for the next period are mostly grant-related. They include the following:

- Finalize AMEL plan;
- MEL database set-up to ensure correct and ongoing tracking of Activity results and overall Activity management;
- Continue with regular grant-related activities in accordance with the Grants Manual and Work Plan;
- Continue to identify enterprises and intermediary organizations to promote the WHAM grants program and explore potential grant opportunities;
- Follow up with universities and ensure MoUs to secure local volunteers to support the program are signed;
- Sign the MoU with FTC; and,
- Prepare and coordinate official Activity Launch.

ANNEX I: FIRST PUBLISHED REQUEST FOR APPLICATIONS

Request for Applications (RFA)

WHAM-AID-168-LA-17-00001

Workforce and Access to Higher Markets (WHAM) Activity

Issuance Date: 23-Nov-2017

Closing Date: 22-Nov-2018

Total Potential Funding: USD 400,000

Estimated Number of Awards: 6

Maximum Award Amount: USD 100,000

Dear Applicant:

You are invited to submit an application for implementation of the terms of references contained herein. The grants will be awarded and implemented in accordance with U.S. Agency for International Development and U.S. Government regulations governing grants under contracts, as deemed applicable by prime U.S. Agency for International Development, Prime Recipient IESC, and Workforce and Higher Access to Markets (WHAM) Activity's internal grant management policies.

Please note that the **deadline for receiving Concept Note Applications** is no later than 4:00pm local time. Refer to section III Application and Submission Information for details.

Applicants who have questions about the application process or about this RFA should submit them to: whamgrants@iesc.org

This RFA contains the following documents:

Annex I – Concept Note Instructions and Template

Section I. About the Program

What is WHAM and what is it trying to achieve?

Workforce and Access to Higher Markets (WHAM) is a USAID-funded activity designed to stimulate job creation by advancing Bosnia and Herzegovina's (BiH) trade integration with and expansion into European Union (EU) and regional markets. This will be accomplished via a grant program open to eligible individual organizations, or a number of organizations working together. Grants will prioritize high-growth, exporting or export-ready enterprises aiming to expand capacity, reach more markets, and generate greater employment.

Activity efforts will focus on organizations working in, or linked to, three main sectors: wood processing, metal processing, and textile/footwear sectors. Grant funds may be used to access

Annex I: First Published Request for Applications

consultant's services, obtain business development services, attend trade fairs, and on exceptional basis, to purchase technology necessary to meet export market requirements.

WHAM requires grantees to leverage resources from third party public and private sector funding (at approximately a 1:1 ratio).

What are the specific intervention areas of this RFA?

WHAM will improve the capacity of high-growth, exporting, and export-ready small and medium enterprises from the wood, metal, and textile sectors via grants focused on three intervention areas:

1. **Improve workforce** in targeted sectors by developing partnerships with the public and private sectors to share the cost of recruiting or retraining labor force with adequate skills;
2. **Increase market access** by supporting companies in targeted sectors to identify and access new customers and markets. This may include supporting private and public sector initiatives to help companies attend major regional and international trade fairs; and,
3. **Improve product quality and use of new technology related to quality management and certification** by supporting companies in targeted sectors to introduce quality management systems, technology upgrades, and necessary product/service certifications in demand by target markets (EU standards and/or other relevant standards). WHAM will help beneficiaries to improve product quality and capacity building through grants which should result in new certifications and business strategies that optimize these improvements to the enterprise's competitiveness.

What types of support are available from WHAM?

WHAM 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.

- Subsidize/support training initiatives in industry-related skills with both public and private sectors;
- Assist in the development of new training initiatives targeting identified industry skills deficits;
- Facilitate organizations wishing to participate in export promotion events (trade fairs, trade missions, and B2B) targeting EU and other markets;
- Help organizations develop market entry strategies for their products;
- Assist in market identification, marketing, buyer introductions, and inward buyer participation;
- Guide organizations to become export market ready (research, planning, improved management, and production practices);
- Assistance in establishing market-relevant certifications and chain of custody systems;
- Assistance in gaining quality assurance certifications for accessing EU markets; and,
- Improve competitiveness through establishing new manufacturing processes and energy efficient technology.

Annex I: First Published Request for Applications

Volunteer Experts:

A distinctive feature of WHAM is its ability to deploy Volunteer Experts through the activity implementer, 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 and deep practical knowledge. If your organization feels they can benefit from one of these experts, you can include a request for volunteer support in your initial concept note (detailed below).

Section II: Eligibility

Is my organization eligible to receive grant funding?

The focus of this RFA is to target organizations that represent high-growth, exporting or export-ready enterprises, in the metal, wood, and/or textile industries, 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 last three-years. All organizations must be legally registered under the laws of BiH.

Grantees may include the following types of organizations:

- Non-governmental organizations (NGOs), such as business associations and development agencies;
- Educational institutions, such as schools, universities, adult education centers;
- For-profit organizations, training institutes, and private educational entities (second and third level);
- Research and development organizations for product development, quality management systems and certifications; and,
- Business incubators and technology parks.

Additionally, applicants will be required to leverage third-party resources that match the grant amount requested at 1:1 rate. Applicants are encouraged to contribute a higher proportion of the overall costs.

Are there any restrictions on what can be funded?

WHAM 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 restricted or prohibited under the prevailing USAID source or nationality (Laos, Cuba, Iran, North Korea, (North) Sudan and Syria);
- Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee; or,

Annex I: First Published Request for Applications

- Creation of endowments.

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

- 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; 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 the environmental laws and regulations of 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 one or more of the three intervention areas described above, you should apply for support using the Concept Note Template attached to this RFA. Please note that concept notes will only be accepted in the application format given in Annex A, and must be completed in the English language. Concept Notes and supporting documentation should be submitted electronically to the following email address:

whamgrants@iesc.org

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 Concept Note will be notified within 10 days of their submission whether they were successful.

The concept note should be accompanied by the following supporting documents and certifications:

- Copy of relevant BiH registration license;
- Tax ID; and,
- VAT number (if applicable).

How does the selection process work?

Annex I: First Published Request for Applications

The information that you provide in the concept note 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. Based on this, you may be invited to develop a more detailed full application (WHAM personnel can assist you in this if required). Please note that being asked to develop a full application does not constitute an agreement to award grant funding as the final decision remains with USAID.

Developed applications will then be submitted to the WHAM selection committee for evaluation against the merit review criteria outlined in the next section. Based on the 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 fulfil its requirements and also receive any necessary technical assistance. All awards will be monitored on an on-going basis, and evaluated upon conclusion. While some applications will be rejected outright, some will be referred back 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:

- **Soundness (and innovativeness) of business model (20%):** Applicants must present a well-thought out business model and demonstrate that they are (or represent) a high-growth¹, exporting, or export-ready business, with the potential to be profitable, sustainable, and expand employment. Successful applications will clearly articulate why the proposed investment is necessary compared to the existing one.
- **Appropriateness of planned investment to achieve WHAM Activity objectives (30%):** Applications must demonstrate the ability to achieve tangible results in terms of business growth and economic development during the grant period and beyond. The application should define relevant outcome indicators and targets that include, but are not limited to, projected export sales growth and expected number of direct jobs created. Organizations that create jobs for women and youth are viewed favorably.
- **Organizational capacity and technical experience (40%):** Applicants should establish that they have the organizational and financial capacity to meet the demands of implementing a grant. Evidence for this will include information regarding team composition, relevant qualifications, demonstrated record of accomplishment and success, and types of management systems.

¹ High-growth businesses are defined as businesses experiencing at least 10 percent growth over the past three years with an expected growth of 15 percent or higher within the next two years. These targeted businesses include an existing employment base of 10 to 250 employees, significantly expanding by at least 10 employees within the next 12 months due to increased markets.

Annex I: First Published Request for Applications

Applicants must demonstrate their ability to leverage existing resources in terms of operations, financing, expertise, and networking.

Leverage ratio (10%): Applicants must describe how the grant funding will be used and will be required to match the grant requested with their own funding (or leverage third-party resources) at a 1:1 rate.

Applications containing the following will be viewed favorably:

- Intermediary bodies (described in section II) that represent groups of individual companies will be given preference;
- 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;
- Higher potential for the increase in export sales documented through the creation of long lasting and profitable export contracts;
- Provision of effective technical assistance to a larger number of private enterprises and beneficiaries;
- Higher number of female/youth participants in selected companies; and,
- 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 U.S. Government to pay for costs incurred in the preparation and submission of the concept note and 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.

B.3. Grant Concept Paper

The Grant Concept Note serves as a first-screening test for potential grant activities. The form is designed to gather essential basic information about the Applicant and what it is proposing to do.

1. **Organization's Name:**
2. **Address:**
3. **Telephone:** **Fax:** **E-mail:**
4. **Key contact person and title:**
5. **Briefly describe organization, purpose, and past related experience:**
6. **Grant activity title:**
7. **Problem analysis and statement:**
8. **Grant objective:**
9. **Results to be achieved, linkage to grant objective, and verifiable indicators of achievement:**
10. **Identify beneficiaries, disaggregated by gender if possible, number, and how they will benefit from grant:**
11. **Anticipated duration of activity from start to finish:**
12. **Main task phases of the activity:** [Include Calendar activities with estimated periods, responsible and expected results.]

| | Time (periods) | Responsible | Expected Results |
|----------------|----------------|-------------|------------------|
| Task 1: | | | |
| Task 2: | | | |
| Task 3: (etc.) | | | |

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Annex I: First Published Request for Applications

| Organization | Total Amount in Bosnian Convertible Mark |
|---|--|
| Estimated Funding Requested from IESC/WHAM* | |
| Grant Applicant Resources | |
| Third-Party Resources (identify source and add lines as needed)** | |
| Total Estimated Cost | |

*Currency amount Grant Applicant is requesting from the WHAM Activity

**Third party resources include resources provided to the grant that are not provided by either the Grant Applicant or WHAM. Identify source and add lines as needed if more than one source.

Grant Concept Paper Instructions

| | |
|------------|---|
| Items 1-3: | Applicant's organization name, address, telephone and e-mail—self-explanatory |
| Item 4: | Key contact person and title—The contact person (agent) is responsible for communications between the Workforce and Higher Access to Markets (WHAM) Activity and the Applicant. This applies to all aspects of the grant, from initial summary through completion. The agent must have full authority and responsibility to act on behalf of the Applicant. The agent should be someone who will be directly involved with the grant activity and has a proven, established relationship with the Applicant |
| Item 5: | Briefly describe organization and its activities—Should introduce the Applicant and its background: How it was formed, its mission or purpose, major accomplishments in the area of the targeted activity, current activities, and clients. |
| Item 6: | Grant activity title—The title given to the activity should relate to the grant activity objective. |
| Item 7: | Problem analysis and statement—Identify the problem that the grant activities proposes to address. |
| Item 8-9: | Grant objective, results to be achieved, linkage to grant objective, and verifiable indicators of achievement—must be linked to Workforce and Higher Access to Markets (WHAM) Activity objectives. |
| Item 10: | Identify beneficiaries (disaggregated by gender if possible), number, location, and how they will benefit from the grant. |
| Item 11: | Anticipated duration should be stated with a degree of accuracy of plus or minus two weeks |
| Item 12: | Main task phases of the activity—Provide details regarding the subtasks of the activity. |
| Item 13: | Approximate cost of this activity (cash, in-kind, and third-party sources)—Applicant must submit a rough estimate of the cost of the proposed activity and sources of funds, specifying how much will come from the Workforce and Higher Access to Markets (WHAM) Activity, the Applicant's contribution, and any third-party contributions. A detailed budget is not necessary at this point, only a plausible "ballpark" calculation, which should be within 15 percent (+/-) of the final approved budget. |

ANNEX 2: ROADSHOW SCHEDULE AND SUMMARY

- **December 5, 2017:** Presentation in **Banja Luka** organized in collaboration with the RS Chamber of Commerce. The event was attended by approximately 50 participants including staff from the US Embassy and USAID representatives, other international organizations, municipalities, development agencies, educational institutions, industry associations, and private sector companies from WHAM targeted sectors. The event was promoted by the RS Chamber of Commerce, both before and after, through disseminating information presented and discussed at the event.¹



Roadshow presentation in Banja Luka, December 5, 2017

December 6, 2017: Presentation in **Bihac**, organized in collaboration with Una-Sana Canton Chamber of Commerce. The event was attended by approximately 30 participants, including representatives from USAID, USK municipalities, development agencies, and private sector companies from WHAM targeted sectors. The event was promoted by USK Chamber of Commerce, both before and after, through disseminating information presented and discussed at the event.² The Chamber also organized a press conference after the event.



Roadshow presentation in Bihac, December 6, 2017, and article published in [Oslobodjenje](#) newspaper

¹ <https://komorars.ba/predstavljen-usaid-ov-projekat-unapredenja-radne-snage-i-pristupa-trzistima/>

² www.pkusk.com/predstavljen-usaid-ov-projekat-unapredenja-radne-snage-i-pristupa-trzistima/

Annex 2: Roadshow Schedule and Summary

December 6, 2017: Presentation in **Tuzla** organized in cooperation with the Chamber of Commerce of Tuzla Canton. The event was attended by 45 participants, including representatives of the Chamber of Commerce, local municipalities and Ministries, regional development agencies, local universities and high schools, business service providers, technology parks, and private sector companies from the wood, metal and textile/footwear/leathers sectors. This event was highly promoted by the local media in Tuzla Canton and Chamber of Commerce of Tuzla Canton.³



Roadshow presentation in Tuzla, December 6, 2017

December 8, 2017: Presentation in **Prijedor** in collaboration with local development agency PREDA. The event was attended by approximately 30 participants, including a USAID representative, Prijedor municipal officials, and private sector companies from WHAM targeted sectors. The event was promoted by PREDA both before and after the event.⁴ They also organized a press conference following the event.



Roadshow presentation in Prijedor, December 8, 2017

³ <http://www.kpktz.ba/index.php/vijesti/728-predstavljen-usaid-wham-projekat>
<https://youtu.be/PfejRA-OQF8?t=635> (footage starts at 10:35 mark)

⁴ www.predaprijedor.com/predstavljen-usaid-ov-projekat-unapredjenja-radne-snage-i-pristupa-trzistima/

Annex 2: Roadshow Schedule and Summary

- **December 12, 2017:** Presentation in **Tesanj**, successfully organized in cooperation with the Tesanj Regional Development Agency (TRA) and the Tesanj Municipality. The event was attended by 18 participants, including representatives of the local municipality, TRA, local universities, Arteco Technology Park, and private sector companies from the wood, metal, and textile, footwear, and leather sectors. This event was highly promoted through the local and national media in Tesanj.⁵



Roadshow presentation in Tesanj, December 12, 2017

December 13, 2017: Presentation in **Zenica**, organized in cooperation with REZ. The event was attended by 50 participants, including representatives of the local municipalities in the Central BiH Region, REZ, Zenica Regional Development Agency (ZEDA) local universities and high schools, technology parks and business service providers, and private sector companies from wood, metal and textile/footwear/leathers sectors. This event was also highly promoted through the local and national media in Zenica and Central BiH Region.⁶

⁵ <http://tra.ba/contents/1310>

https://www.facebook.com/permalink.php?story_fbid=152634545371092&id=104629786838235

<https://www.oslobodjenje.ba/vijesti/ekonomija-i-finarsije/usaids-wham-povecanje-izvoza-za-30-posto>

The video footage from this roadshow event was also prepared by the local television station and can be found at TRA website www.tra.ba

⁶ <http://www.hronika.ba/aktuelno/business/usaids-wham---odrzana-prezentacija-u-zenici.html#>

<http://tntportal.ba/2017/12/13/rez-predstavljen-usaid-ov-projekat-unapredjenja-radne-snage-i-pristupa-trzistima/>

<https://www.zenicablog.com/rez-predstavljen-usaid-ov-projekat-unapredjenja-radne-snage-i-pristupa-trzistima/>

Annex 2: Roadshow Schedule and Summary



Roadshow presentation in Zenica, December 13, 2017

December 14, 2017: Presentation in Mostar organized in cooperation with the INTERA Technology Park in Mostar and REDAH.⁷ The event was attended by 35 participants including representatives of the local municipalities, Chambers of Commerce, local universities and high schools, technology parks and business service providers, and private sector companies from the wood, metal and textile/footwear/leathers sectors.



Roadshow presentation in Mostar, December 14, 2017

December 18, 2017: Presentation in Sarajevo organized in cooperation with the FTC was attended by more than 60 participants, including representatives of FTC, local municipalities in Sarajevo, Chambers of Commerce, local universities and high schools, technology parks and business service providers, international donors such as GIZ, SDC and UNDP, and private sector companies from the wood, metal, and textile/footwear/leathers sectors. Representatives of USAID Mission to BiH, Mr. Andrew Boegel, Head of Economic Development Office and Ms. Amira Vejzagic- Ramhorst, Deputy Economic Office Director, participated in the event. Mr. Boegel gave the opening speech and was interviewed by the press, which provided the event with a high profile and helped the overall promotion of the Activity. This event was highly promoted by the local media and footages from the event were

⁷ <http://intera.ba/novosti/predstavljen-usaid-ov-projekt-unaprjeđenja-radne-snage-i-pristupa-tržištima/>
<http://interatech.info/13548-2/>

Annex 2: Roadshow Schedule and Summary

prepared by the most renowned local media newspapers, web portals, and a local business news magazine.⁸



Roadshow presentation in Sarajevo, December 18, 2017

⁸ <http://avaz.ba/vijesti/bih/332735/usa-id-novih-1-500-radnih-mjesta-i-povecanje-izvoza-za-30-posto>
<http://vijesti.ba/clanak/386455/kreiranje-oko-1-500-radnih-mjesta-i-povecanje-izvoza-za-30-posto>
<http://source.ba/clanak/BiH/455069/USAID-WHAM---Kreiranje-oko-1-500-radnih-mjesta-i-povecanje-izvoza-za-30-posto>
<https://www.faktor.ba/vijest/ulazu-cetiri-miliona-dolara-usaid-zeli-otvoriti-u-bih-1-500-novih-radnih-mjesta-276839>