



CALL FOR APPLICATIONS TPI CFA 2023-01

BIG SMALL BUSINESSES PROJECT

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| Name of the Project | Big Small Businesses project (Projekat velika mala privreda) |
| Call For Applications | TPI CFA 2023-01 |
| Date of Issue | May 30, 2023. |
| E-mail, Closing Date, and Time for Receipt of Applications | Grants_Serbia@acdivoca-serbia.org June 16, 2023. 17:00 CET |
| Questions on this solicitation should be submitted to the e-mail address provided no later than the date indicated. | Grants_Serbia@acdivoca-serbia.org , June 07, 2023. 17:00 CET |

I. PROGRAM DESCRIPTION AND OBJECTIVES

The United States Agency for International Development (USAID) Big Small Businesses project (Projekat velika mala privreda), hereinafter the Project, is a five-year activity implemented by ACDI/VOCA in partnership with J.E. Austin Associates, CEVES, and the Ana and Vlade Divac Foundation. The Project will empower Serbian market actors to lead localized initiatives that spur small and medium enterprise (SME) growth through integration in high-value markets. Working through a wide range of Serbian market actors at the local level, the Project will catalyze new behaviors, relationships, and the improved performance of SMEs and their support systems. To achieve its goals, the Project will employ facilitative market systems approach that puts Serbian actors in the lead and enables **regionally tailored implementation*** in the **focus sectors of Agriculture & Food and Equipment and Machines** – with intersectional opportunities in **Digitalization, Green Economy, and Creative Industry applications**. The Project will foster local entrepreneurial “ecosystems” of sector-specialized firms by supporting business support providers (BSPs), financial institutions, and other service providers to increase SMEs’ productivity and profitability. At the same time, the Project will work on improving SMEs’ marketing and exports through business services, strengthening supply chain relationships, sectoral (horizontal) cooperation, and enhancing the quality and traceability of their products. In addition, the Project will strive to diversify the financial products and services available to SMEs, improve SME utilization of financial services, and leverage the considerable public, private, and other resources available for investment. Finally, the Project will invest in inclusive outcomes by **expanding opportunities for females and youth**, and other marginalized groups through actors in workforce development, the private sector, and the education system.

Recognizing the importance of learning and the need for robust data collection and analysis, this grant activity will be subject to an impact evaluation (**IE**) applying a randomized control trial method. The evaluation intends to measure changes in various MSME business outcomes that are attributable to the Lean Six Sigma Yellow Belt Certification Activity. The evidence gathered during the IE will contribute to the Big Small Business’s knowledge base and support broader learning objectives to improve development programming. Participating in the impact evaluation mission will allow the successful bidder an opportunity to contribute to evidence-based decision-making, shape future programmatic interventions, and strengthen the overall impact of our efforts.

As such, the successful bidder and all certification participants will engage in the impact evaluation, which is intended to study the impacts of the certification process on both personal experiences with the application of the skills gained in the certification process and the impact of these new skills in influencing improved efficiency and profitability of their respective firms. Greater details of this process will be shared with the successful bidder upon award and prior to any commencement of training activities and certification.

II BACKGROUND

The Equipment & Machines sector (hereinafter E&M) in Serbia has strong development potential due to clear end-market linkages, opportunities for innovation and value-addition, many MSME suppliers, and opportunities for workforce development activities and employment. Although currently dominated by large and international firms, this sector includes 3,982 MSMEs, 98,000 employees, and €1.4 billion gross value added, growing at 6.1 percent over three years, with exports comprising 70 percent of sector revenue (Serbia Statistical Office, 2019). MSMEs have a comparative advantage in providing customized and special-purpose machinery and components for use in other domestic industries, including innovation cross-fertilization potential with the A&F sector (e.g., engineered components, measurement, and electric equipment). With its size and legacy of engineering expertise, there is potential for above-median wages by learning advanced skills and the opportunity to promote non-traditional roles for youth and women, especially in cross-cutting digital and creative applications. The sector's high fragmentation also allows entrepreneurs to start more specialized, high-quality production firms. International companies and many Serbian ILCs extensively use globally recognized process improvement methods, such as 5S, Lean, Six Sigma, Kaizen, etc. Some have almost become industry standards, confirming companies' operational excellence. These improvement processes and methods are usually not the focus of micro and small enterprises due to the lack of awareness, benefits, and associated costs in training and certification. According to Project Baseline, 1/4 of surveyed companies perceive the introduction of process improvement methodologies as essential for improving the value added.

Considering this, the Project aims to address these gaps by supporting the Lean Six Sigma Yellow Belt Certification Activity for preselected 400 MSMEs operating in the E&M sector scattered in different regions in Serbia. This group of 400 randomized MSMEs in the equipment and machinery sector serve as the key partners in identifying the impacts of Lean Six Sigma Yellow Belt certification. Lean Six Sigma is one of the best-known methodologies for operational efficiency and continuous improvements MSMEs. It is a process improvement approach that uses a collaborative team effort to improve performance by systematically removing operational waste and reducing process variation. It combines Lean Management and Six Sigma to increase the velocity of value creation in business processes. Lean is a method, measure, or tool that helps identify and eliminate waste. In contrast, Six Sigma refers to tools and techniques used to improve manufacturing processes. The strategy attempts to identify and eliminate the causes of defects and variations in business and manufacturing processes. The Yellow Belt level combines theoretical and practical work because, as a rule, one day of training is spent in companies. It also requires the trainee to pass the exam successfully.

The identification and selection of the 400 selected firms follow a prescribed methodology and protocol, which must be maintained throughout the implementation of training and the certification process. Where gaps exist in the engagement of the 400 selected firms, any replacement firms will be provided to the grantee.

III. OBJECTIVES OF THE CALL FOR APPLICATIONS

This TPI CFA 2023-01 aims to solicit applications from eligible business service providers and certification agencies that present technical approaches and methodologies for supporting the Project's Lean Six Sigma Yellow Belt Certification Activity. The selected grantee should possess expertise in Lean Six Sigma methodologies and certification programs and should be capacitated and ready to deliver high-quality training and certification services. This CFA outlines the scope and requirements of the Lean Six Sigma certification activity, including the desired certification level – Yellow Belt, for the target beneficiaries of preselected 400 MSMEs.



IV. SCOPE OF WORK (SOW)

The scope of work for this grant activity includes providing the Lean Six Sigma Yellow Belt training and certification to 400 previously identified MSMEs in Serbia's Equipment and Machines sector. The grant activity is focused on micro and small enterprises comprised of 4 – 20 employees, proportionately distributed across the entire territory of Serbia.

*** Note:** A list of preselected 400 MSMEs in targeted regions will be provided to the successful applicant. The applicant is expected to provide marketing and facilitation support to reach out and encourage the selected firms to participate in the intervention.

The eligible applicant will submit an application that addresses the following tasks:

1. **Project Initiation:** Conduct outreach and build interest to the targeted audience of preselected 400 MSMEs (as stated above, the list of preselected 400 MSMEs will be provided to the successful bidder), desired outcomes, and training schedule development. Develop training materials, including presentations, case studies, exercises, and handouts. Incorporate practical examples and real-world scenarios to enhance learning and application of Lean Six Sigma Yellow Belt principles.
2. **Training and Certification Delivery:** Conduct training sessions to deliver the Lean Six Sigma Yellow Belt curriculum and certification. Utilize a variety of instructional methods to engage participants. Provide guidance and coaching to participants, encouraging active participation and application of Lean Six Sigma Yellow Belt tools and techniques. Foster a collaborative and interactive learning environment to promote knowledge-sharing and problem-solving. The first training session and certification is expected to begin in June 2023.
3. **Assessment and Evaluation:** The grantee will be expected to coordinate with the external impact evaluation (IE) team to ensure access to training participants during each training event.
4. **Project Support and Coaching:** Provide ongoing support and guidance to participants as they apply Lean Six Sigma Yellow Belt principles to their projects. This activity includes sending reminders to training participants (i.e., via e-mail, SMS, etc.) to use skills and knowledge gained during the training beyond the life of the grant activity. It is anticipated that each certified beneficiary is expected to receive between 6 to 8 reminder alerts over the full period of the impact evaluation study. The activity will be closely coordinated with the external impact evaluation (IE) team to identify the period and frequency of such reminders.
5. **Documentation and Reporting:** Prepare comprehensive training documentation, including training materials, participant lists, handbooks, and reference guides. Generate progress reports, training evaluation summaries, and recommendations for future training initiatives.
6. **Knowledge Transfer:** Facilitate the transfer of knowledge and skills gained during the training to the organization's employees. Encourage participants to share their Lean Six Sigma Yellow Belt knowledge with colleagues and promote a culture of continuous improvement.

Timeline: This SOW's activity will occur between June 2023 and February 2024.

Tentative Milestones/Deliverables Schedule

| <i>Milestone</i> | <i>Deliverables</i> | <i>Tentative Due date</i> |
|-------------------------|---|----------------------------------|
| Project Initiation | <ul style="list-style-type: none"> Technical Approach. Develop outreach campaign to motivate identified 400 participants to partake in LSS certification; develop work plan including training schedule, with identified phased roll out approach. | <i>End of June 2023</i> |



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| Content Development | <ul style="list-style-type: none"> • Technical Methodology. Developed training materials, including presentations, case studies, exercises, and handouts. • Develop supplemental reminder mechanism and material/content for post-certification follow up. Please note that the follow-up reminder will be extended beyond the life of the grant activity, expected to last 36 months after the final certification event, with a fixed delivery schedule and will be supported and coordinated by the external evaluation team. | <i>End of June 2023</i> |
| Initial Training and Certification Delivery | <ul style="list-style-type: none"> • Conduct initial phase training and certification delivery for no less than 15 participants completed: Organize and deliver training sessions for no less than 15 participants from the provided participant list. • Conduct technical and logistic debrief in Belgrade no later than 1 week after completion of the initial training event • Submit progress technical report | <i>14 July 2023</i> |
| Training and Certification Delivery | <ul style="list-style-type: none"> • Training delivery and certification for remaining 385 participants: Organize and deliver training sessions for 385 participants; Submit participant lists disaggregated by sex, location, and type (size of MSMEs). • Follow-up activity: See above • Submit Progress Technical Report | <i>15 December 2023</i> |
| Final Certification Report | <ul style="list-style-type: none"> • Submit the Final Technical Report, including relevant supporting documents | <i>29 February 2024</i> |
| Follow up / Reminder Mechanism | <ul style="list-style-type: none"> • Implement the technical reminder mechanism. A follow up reminder needs to include a structured reminder tool to be pushed out at +1, +3, +6, +9, +15, +21, +27 months after completion of certification on a rolling basis. | <i>31 December 2026</i> |

V. ELIGIBILITY REQUIREMENTS

This CFA is open to legally registered entities in Serbia.

Eligible organizations must adhere to the following requirements:

- Be legally registered for a minimum of three years.
- Demonstrate ability, professional competencies, and qualifications to contribute to the objectives of grant activity.
- Display sound financial, administrative, and technical management capacities to support achieving the award objectives.
- Maintain double-entry accounting (for private legal entities).
- Record net profit in Profit and Loss P&L accounts in the previous two years (for private legal entities).
- Have LSS training and certification in the regular offer and have implemented the Lean Six Sigma training in the last three years.



- Have appropriate organizational and manpower capabilities to deliver at least two parallel training sessions in different regions of Serbia.
- Have a client relationship management system in place.

It is a requirement that the grantee conducts its daily operation in strict accordance with Serbian laws and regulations.

If an entity or its key personnel appear on any of the following INELIGIBLE lists, it is automatically ineligible to receive a grant:

1. The System for Award Management (SAM) (<https://www.sam.gov>).
2. The Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control sometimes referred to as the “OFAC List” (<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>); and

3. The United Nations Security designation list
http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml

The Project will conduct the complete screening of the applicant’s appearance on the above-noted lists, using the CSI Watchdog Elite database.

Ineligible organizations also include:

- Political parties, groupings, or institutions or their subsidiaries and affiliates.
- Organizations that advocate, promote, or espouse anti-democratic policies or illegal activities.
- Faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objectives of the deliverables are religious nature¹.

In line with USAID’s New Partnership Initiative (NPI), the Project encourages applicants with no experience with USAID projects to participate in this funding opportunity.

VI. SIZE OF GRANT AWARD

Subject to the availability of funds, the Project intends to award one grant valued between \$180,000.00 - \$200,000.00 to support the scope and results defined in this CFA.

VII. APPLICATION SUBMISSION AND EVALUATION PROCESS

This solicitation will involve the following phases of the applications’ submission and evaluation process.

Application Submission: Applicants must submit their proposals using the Application Form and Detailed Budget included in Appendix A and B of this CFA. The applicants should provide general information about the entity, eligibility confirmation, past performance records, and the requested budget. Applications shall be prepared in English, and the part of the application describing grant activity must not exceed 5 (five) pages. Applications submitted in different forms, a language other than required, and those exceeding the page limitation will not be considered.

The Project encourages applicants to submit their applications at any time before the closing date of this CFA to the TPI Fund Manager electronically, via email at Grants_Serbia@acdivoca-serbia.org with reference subject in the e-mail: **TPI CFA 2023-01** name of the applicant. Application submitted after this date and time will not be considered under this CFA.

¹ *Organizations that have received substantial assistance from USAID and other donors but have not shown successful utilization of the grants are not encouraged to apply.*



The Project will convene an independent **Grants Evaluation Committee (GEC)** that will evaluate Applications submitted in response to this CFA. Applications will be evaluated based on the Evaluation Criteria included in Section VIII below.

Due Diligence Process: The Due Diligence process may involve asking follow-up questions through email or phone, requesting supplementary materials that further outline the applicant's technical approach and its responsiveness to the Project's core principles and selection criteria, and contacting references (possibly including persons not provided in the application) and previous funders and partners or clients.

The Project will also conduct a pre-award responsibility assessment and risk assessment to determine the applicant's responsibility, the type of grant instrument, and the award terms and conditions. In making these determinations, the Project will consider whether the applicant possesses the organizational capacity, financial capacity, internal controls, procurement systems (if required), past performance, and business ethics and integrity records to successfully implement the grant activities and comply with the USAID requirements. Only responsible entities may receive grant support.

To enable conducting Due Diligence, the applicants are required to provide the following information/documents:

- Copy of the organization's Articles of Incorporation or other documentation which substantiates the legal character/registration of the organization (copy of registration from the Business Registry).
- Names of organization owners, directors, and a copy of their National Registration Card for Serbian citizens and passport for foreigners, if requested.
- Resumes for key proposed staff (provide 4 CVs (not more than 1 page) for four key personnel: Project Manager and three consultants with adequate qualifications, experience, and expertise for the required tasks. (Minimum 3+ years of professional experience in relevant training and consultancy).
- Timeline of activities (e.g., Gant chart).
- Copy of the organization's organizational chart.
- Copy of the organization's personnel policies and procedures.
- Copies of financial reports for the previous 3-year period.
- Provide at least three references for similar tasks completed in the past three years.
- Signed copies of the Certificate Regarding Terrorist Financing and other applicable certifications (attached as Appendix C to this CFA).
- Unique Entity ID (UEI) or copy of the confirmation of the request for UEI from SAM.gov
Instructions for UEI number registration may be found here: [Quick Start Guide for Getting a Unique Entity ID.pdf](#)
- Certificates from the relevant Serbian Government bodies, authorities, and institutions, or Statements from the applicants, that the legal entity or its representatives have never been convicted for any criminal charges or grave professional misconduct by violating applicable laws or regulations or ethical standards of the profession.
- Certificates from the relevant Serbian Government bodies, authorities, and institutions, or Statements from the applicants, that the entity is not in debt for taxes or similar documents.

Please note that the USAID Big Small Business Project will fully respect the confidentiality of proprietary information and personnel data of all organizations involved in the program.

Evaluation: The GEC will review the grant applications following the Due Diligence phase. Based on the evaluation criteria outlined in Section VIII below, the Committee will score applications and select the application for funding.

Notice will be sent to unsuccessful or ineligible applicants no later than 30 days after completing the Evaluation.



VIII. EVALUATION AND SELECTION CRITERIA

The Project Grants Evaluation Committee (GEC) will review, evaluate, and select applications based on the following Evaluation Criteria:

- **Management and Operational Capacity:**(25 points): Management capability, personnel qualifications, and other capabilities required to ensure successful business management. The ability of the entity to manage government funding and meet the grant conditions and commitments. (e.g., Does the organization have relevant experience implementing similar activities? Are the proposed staff qualified and experienced to conduct the required activities?)
- **Technical Approach and Methodology** (20 points): Clarity and understanding are demonstrated in the technical approach. Is the approach based on sound principles, established techniques, and reliable data? Is the methodology well-aligned with the problem statement? Does methodology provide a clear roadmap for executing the project, including defined milestones, deliverables, and checkpoints? Does the methodology demonstrate a comprehensive risk assessment and provide effective strategies or contingency plans to mitigate potential risks?
- **Feasibility and Practicality** (20 points): Is the technical approach feasible and practical considering the timeline, budget, and available resources? Can the approach be implemented within the given constraints, and is it efficient? The implementation steps are clearly outlined, and well-defined, and provide a coherent roadmap for executing the project.
- **Inclusivity** (10 points): How the applicant proposes integrating females, youth, and other marginalized groups within their proposal or overarching business model.
- **Budget and Cost Effectiveness** (25 points): Is the proposed budget realistic, well-thought-out, and aligned with the proposed activities? Are the costs proposed reasonable and allowable?

IX. AWARD ADMINISTRATION

Pursuant to 2 CFR 200 Subpart E and 2 CFR 700.13, it is USAID's policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect, that are related to the grant activity and are in accordance with applicable cost standards (2 CFR 200 Subpart E for non-profit organizations and educational institutions, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations, may be paid under the grant. Any resultant award will be subject to the terms and conditions of the Prime Award (Cooperative Agreement) for the USAID Big Small Business project, Including 2 CFR 200 Subparts E and F and the Standard Provisions for Non-U.S. Non-governmental Recipients.

X. DISCLAIMERS AND ACCEPTANCE OF APPLICATIONS

This CFA represents a definition of requirements and is an invitation for the submission of applications. The Project and ACDI/VOCA reserve the right to provide funding in response to any or none of the applications. No commitment is made, either expressed or implied, to compensate applicants for costs incurred in the preparation and submission of their applications.

The Project and ACDI/VOCA may reject any incomplete application. The complete application is one that complies with all terms and conditions of the CFA The applications must be complete, signed by an authorized signatory, and delivered no later than the submission time and date indicated on the cover sheet of this CFA. The Project and ACDI/VOCA may reserve the right to waive any minor discrepancies in an application.

The Project and ACDI/VOCA reserve the right to issue an award based on the initial evaluation of applications without discussion. ACDI/VOCA also reserves the right to move forward with any responsive applicants for all or part of the proposed grant activity and the work plan.

XI. APPENDICES

- A. Application Form
- B. Detailed Budget Form
- C. Certifications, Assurances, and Other Statements of Subrecipients