

# Expression of Interest (EoI)

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**Issuance Date:** September 1, 2021

## CATALYZE Project:

USAID CATALYZE is a global project designed to facilitate partnerships and craft solutions to mobilize \$2 billion in blended private sector and other financing to USAID partner countries. The program can work in any development sector or region, enabling USAID Bureaus and Missions around the world to efficiently facilitate investment solutions that respond to the needs of specific sectors, issues, and geographies and leverage private sector financing to achieve development objectives.

## Engines of Growth (EoG) Activity:

The EoG Activity falls under the CATALYZE Project umbrella. The overall purpose of the EoG Activity is to facilitate Western Balkans small and medium enterprise (SME) resilience, growth, and job creation by improving their access to and utilization of appropriate finance. EoG will help mobilize capital in order to sustain viable SMEs and jobs in the wake of COVID 19 in the near term and will promote improved SME growth financing in the long term. Awards under this call, if any, will focus primarily on addressing those near-term, urgent needs, with a secondary focus on promoting systemic change. However, recognizing that the pandemic has only exacerbated pre-existing systemic access to finance challenges for SMEs, in a future phase EoG anticipates focusing primarily on facilitating long-term solutions.

## I Background Information

Due to the challenges posed by the pandemic, many SMEs in the Western Balkans are struggling to hold on to their markets and to access much needed liquidity to stay in business. Prior to the pandemic, lack of suitable and affordable finance was one of the most common obstacles to growth for SMEs in the Balkans.

EoG is seeking to identify a local pool of specialized financial consulting companies (i.e. Business Advisory Service Providers (BASPs) with expertise and capabilities in strategic business planning, financial analysis, and financial engineering, etc.) to mobilize capital to viable SMEs with the primary purpose of restoring productivity and retaining employment.

The BASPs will work with women owned, managed AND controlled micro, small and medium enterprises (hereinafter: W-MSMEs) to deliver specific services as follows:

- Work with identified companies – project partners in identifying need of external financing for their growth – to screen companies' current financial and business processes.
- Determine current creditworthiness and attractiveness of companies to obtain financing.
- Identify and plan the investment needs of the companies by:
  - formulating growth strategies.
  - develop sound business plans.

- undertake financial engineering activities (perform financial analysis focused on structuring the business expansion ideas into sound business finance proposals determining the mix of financial instruments and modeling pay back scenarios);
- Support selected firms during the process of presenting their plans and financing needs to financial institutions and other investors, resulting in accessed finance.
- Identify financial investors (banks, financial institutions, equity investors etc.) potentially interested in financing targeted SMEs;
- Identify financial support offered by public innovation funds, government programs and other commercially based financial programs that are directed towards private sector investment.

BASPs will work through a pay for results (P4R) schedule which is an umbrella term for initiatives that pay upon the accomplishments of an agreed upon result. Under P4R, the EoG Activity will set financial or other incentives for BASPs to deliver predefined outcomes, and then provide the agreed rewards upon achievement and verification of the results. One of project's focuses is to facilitate mobilization of finance to SMEs led by women and/or SMEs that provide significant business opportunities for women.

BASPs are encouraged to independently identify SMEs that qualify for financial support but they must be women led, owned and controlled MSMEs.

Subject to strategic decision and/or availability of funds, EoG reserves the right to fund any or none of the applications submitted. Issuing this EOI does not constitute an award commitment on the part of EoG, nor does it commit EoG to pay for costs incurred in the preparation and submission of an application. Further, EoG reserves the right to reject any or all applications received if such actions are in the best interest of USAID. Applications are submitted at the risk of the Applicant; should circumstances prevent making an award, all preparation and submission costs are at the Applicant's expense.

## 2 Application and Submission Information

Applicants can be individual consultants or consulting companies registered as legal entity in Montenegro. **Interested and qualified companies who have proven track records of at least 5 years of experience in the above spheres are encouraged to apply by submitting:**

- (1) Company profile and registration form not older than 6 months (only for companies);
- (2) CVs (companies should submit CVs for all key experts);
- (3) At least three references of previous work in the last 3 years with SMEs; (elaborate the work performed, in addition to the company and contact person).

Applicants must comply with all applicable USAID and Palladium rules and regulations (including procurement regulations, if applicable, branding and marking requirements). Prior to the award under this EOI, successful Applicants will be assessed against Palladium's due diligence requirements and will have to sign a set of documents to confirm full compliance with USAID and Palladium internal procurement procedures.

Applicants should submit applications electronically, via email to: [wbalkans.eog@thepalladiumgroup.com](mailto:wbalkans.eog@thepalladiumgroup.com) no later than September 17, 2021. In the subject line please include "EoG BASP Application Montenegro".

Successful applicants will be invited to attend an info session during which EoG will introduce the BASP, explain the success fee matrix, and EoG procedures. Unsuccessful applicants will be notified in writing.