

I. GENERAL INFORMATION

Title of the Call: Czech-UNDP Partnership for SDGs: Call for the Proposals to the Challenge Fund

Agency: UNDP Istanbul Regional Hub

Managing Unit: Czech-UNDP Partnership for SDGs

Type of Contract: Agreement between UNDP and the Winning Entities under the „Czech-UNDP Partnership for SDGs: Call for the Proposals to the Challenge Fund”

Expected Commencement Date: 18 October 2018

The basic information about the call are following:

Locality: *Bosnia and Herzegovina, Georgia, or the Republic of Moldova.*

Expected date of contract start: November 2018

Expected length of contract: up to 1 year

Estimated prize: ranging between US\$20,000 USD and US\$40,000, the applicants are expected to provide co-funding of at least 20% of the total cost of the project¹

II. BACKGROUND/RATIONALE

The development landscape in Europe and the Commonwealth of Independent States (ECIS) is changing. The countries in ECIS made significant progress towards the Millennium Development Goals and now have been focusing on achieving the SDGs. Thirteen (13) of the Programme countries in the Regional Bureau for Europe and the CIS (RBEC), supported from the Istanbul Regional Hub (IRH) now score very high or high in Human development index. Yet, many **development challenges** persist, including considerable poverty levels, income and non-income inequalities, exclusion of marginalized groups, gender discrimination, unequal access to public services, slow progress in democratic governance reforms, increased migrant and refugee flows or persistence of violent extremism.

The Czech-UNDP Partnership for SDGs Project (hereinafter CUP) aim to respond to the development challenges by transferring Czech expertise and innovative solutions for SDGs to partner countries. CUP works in close coordination with UNDP COs, contributing to one of the key objectives of the UNDP which is to “help countries to build capacities to address complex and interconnected development challenges”² It supports them in solving key development challenges by facilitating transfer of top-notch Czech expertise, know-how and innovative solutions. In doing so, it builds on previous success of the Czech-UNDP Trust Fund 2014–2017 in mobilizing knowledge and know-how and utilizing it for resolving specific development objectives identified by UNDP COs in consultation with national counterparts. Being part of wider UNDP regional infrastructure and based in Istanbul Regional Hub allows CUP to bring Czech development efforts in the region to scale and create higher efficiencies.

The CUP will address development challenges identified as key by the UNDP COs in its three (3) partner countries, Bosnia and Herzegovina, Georgia and the Republic of Moldova. At the same time, due to the wide range of development challenges being addressed by UNDP COs, CUP will focus on areas where the Czech Republic has substantive expertise and can offer added value and innovative solutions. As such,

¹ The prize might be split to more than one awardees depending on the results of the challenge.

² UNDP Strategic Plan, 2018–2021, p. 6.

CUP priorities will be aligned as much as possible with the priorities of the Czech ODA in partner countries and its Programme documents to concentrate activities of the Czech Development Assistance and better support the achievement of SDGs in the selected countries.

To achieve the above-mentioned goals, the CUP will support innovative ideas and solutions through its Challenge fund: Czech solutions for SDGs (hereafter CFCS). The objective of the CFCS is to facilitate **transfer of Czech know-how and innovative solutions** that would address development challenges identified by UNDP Country Offices in the project countries and contribute to the achievement of SDGs.

The CFCS is looking for innovative solutions that generate improvement and value, especially by introducing new methods, ideas, or products. The CFCS views innovation in its broadest sense. The proposed solutions need to be sustainable and have a potential for scale up.

Eligible applicants may come from Czech **private sector, NGOs, universities, state institutions or research centers**. The applicants are required to **engage local partners** to assure viability in local conditions, and to promote sustainability and scalability of the solution.

- The funding request is for a specific, new and innovative project that addresses the set development challenge. The CFCS views innovation in its broadest sense including:
 - i) **a new approach, product, idea or service that has not been tested anywhere;**
 - ii) **is new to the beneficiary country;**
 - iii) **has not been applied to the sector in question in the beneficiary country; or**
 - iv) **service or business model being introduced to a target group where it has not been tried before.**
- The proposed project must have a potential for financial, social and environmental sustainability and scale up.
- All projects must be inclusive in nature and benefit the target beneficiaries and contribute to the achievement of SDGs, rather than solely benefitting the participating Entity.

The project must be implemented in one of the partner countries: *Bosnia and Herzegovina, Georgia, or the Republic of Moldova*.

III. OBJECTIVES OF THE CHALLENGE

The supported outcome is a feasibility study providing an innovative and replicable solution to the identified development challenge. The study will include evidence that the proposed solution is feasible, and implementation plan specifying concrete actions and partnerships necessary for the implementation of the solution. It will list all associated activities, stakeholder engagement, implementation costs and possibilities for scale-up.

During the implementation, the applicant is to consult the solution with local partners, stakeholders and/or final beneficiaries in order to make sure that the solution is adapted to and viable in local conditions. This engagement with local partners needs to be documented.

The applicant is also expected to identify potential financial partners from public/private sector, international financial institutions, donors etc. that could finance the implementation of the solution and scaling up.

Each project must be implemented in line with subject project title of the partner countries: *Bosnia and Herzegovina, Georgia, or the Republic of Moldova – and in accordance with the following development challenges and their expected outcomes.*

All participants are welcome to share their innovative solutions to contribute on the development of SDGs categorized in country projects. All the solutions will be equally evaluated, and prize may be split to more than one awardees. Respective SDGs of each country projects' may be designed as a whole and/or one or more could be chosen depends on the strengths of awardees.

BOSNIA AND HERZEGOVINA WINDOW – ECONOMIC GROWTH ACCELERATED THROUGH TECHNOLOGY AND EFFECTIVE MANAGEMENT OF NATURAL RESOURCES

Development challenge: Insufficient use of new technologies and effective management of natural resources in fast-growing industries of Bosnia and Herzegovina limits their growth potential.

Expected outcome: Introduce solutions that enable use of new technologies and effective management of natural resources in growth-oriented industries of Bosnia and Herzegovina towards achievement of Agenda 2030 and the SDGs.

This could be, for example, designing solutions that³:

- Make growth sectors like wood processing more competitive and productive, towards knowledge-based and sustainable economic development;
- Provide promotion of sustainable and affordable energy sources, including alternative resources of heating.

Activities should contribute to the achievement of the following priority areas of *the Czech-UNDP Partnership for SDGs* and [Development Cooperation Programme with Bosnia and Herzegovina for the period 2018–2023 of the Czech ODA](#) and their respective SDGs:

- SDG 5 – Achieve gender equality and empower all women and girls.
- SDG 6 – Ensure availability and sustainable management of water and sanitation for all.
- SDG 7 – Ensure access to affordable, reliable, sustainable and modern energy for all.
- SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- SDG 13 – Take urgent action to combat climate change and its impacts.

³ Applicants are expected to come up with innovative ideas in line with the above-mentioned development challenge and expected outcomes, the list only offers limited set of examples how this could perhaps be achieved.

- SDG 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

GEORGIA WINDOW – WASTE MANAGEMENT IN MOUNTAINOUS REGIONS OF GEORGIA

Development challenge: Waste management in mountainous regions of Georgia

Expected outcome: Introduce new initiatives to support solid waste management practices in mountainous regions of Georgia that will be in line with the 2030 development agenda and SDGs and aligned with obligations of EU Association Agreement and Georgia’s Waste Law.

Georgia faces number of challenges regarding waste management that should meet international standards. Adoption of Georgia’s waste law was indeed a breakthrough; however, set of sub-laws and other legal acts as well as extensive capacity building of relevant authorities is required to achieve the EU standards in waste management. Georgia, as a signatory of EU Association Agreement, has also taken commitment to harmonize its legislation with the related EU directives, including related to waste management. One of the challenges Georgian authorities face is related to waste management in mountainous areas, where the landscape specifics create difficulties in waste management and treatment. Local/regional and central capacities are limited as well as there is lack of knowledge or standards for improving waste management standards in mountainous terrains. Innovative practices could be introduced to address this challenge which would be a significant contribution to fulfill Georgia’s obligation for the 2030 development agenda and SDGs.

This could be, for example, by way of **innovation in these areas**⁴:

- Sustainable waste collection and treatment practices for mountainous landscapes to avoid long-distance waste transportation to landfills;
- Introduce alternative solutions for waste separation and treatment locally;
- Technology-based solutions for waste – related public service delivery;
- Options for engaging local communities and governments in waste management practices and their capacity building for a safer and healthier environment;

These proposed activities would contribute to the achievement of the following priority areas of the *Czech-UNDP Partnership for SDGs and [Development Cooperation Programme with Georgia for the years 2018–2023 of the Czech ODA](#)* and their respective SDGs:

- SDG 3 – Ensure healthy lives and promote well-being for all at all ages
- SDG 5 – Achieve gender equality and empower all women and girls.
- SDG 13 – Take urgent action to combat climate change and its impacts

⁴ Applicants are expected to come up with innovative ideas in line with the above-mentioned development challenge and expected outcomes, the list only offers limited set of examples how this could perhaps be achieved.

- SDG 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
- SDG 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

MOLDOVA WINDOW – SUSTAINABLE, LOW CARBON AND ENERGY EFFICIENT MANAGEMENT OF RESOURCES IN MOLDOVA

Development challenge: Sustainable, low carbon and energy efficient management of resources in Moldova

Expected outcome: At the moment, based on existing evidence from private sector and administrative data, waste in some core resources/inputs, including in particular electricity, water and heating is very high. For instance, public universities, schools or hospitals estimate that they could reduce consumption by at least 20 to 40%. Some of these resources are scarce or becoming scarce (e.g. water) and their quality is deteriorating. Other inputs become increasingly expensive, e.g. cost of electricity increased by about 50% in the last 5 years, increasing the risks of ‘energy’ poverty particularly in urban context. Nevertheless, little exploratory work and experimentation was done to reduce waste and make consumption more responsible.

This could be, for example, designing solutions that⁵:

- Use of behavioral economics to incentivize responsible consumption and reduction in waste of resources; this applies both to large public institutions, but also at the levels of households;
- Applying modern technologies for infrastructure upgrade, reducing theft, and testing mechanisms to recover investment(s) from the savings;
- Incentivizing all public, private, and civic consumers/stakeholders to adopt more responsible behavior; support development of new business models that would turn waste into new opportunities;
- Reducing consumption and waste generation at different levels.

Activities should contribute to the achievement of the following priority areas of *the Czech-UNDP Partnership for SDGs* and [*Development Cooperation Programme with Moldova for the period 2018–2023 of the Czech ODA*](#) and their respective SDGs:

- SDG 5 – Achieve gender equality and empower all women and girls.
- SDG 6 – Ensure availability and sustainable management of water and sanitation for all.
- SDG 13 – Take urgent action to combat climate change and its impacts.

⁵ Applicants are expected to come up with innovative ideas in line with the above-mentioned development challenge and expected outcomes, the list only offers limited set of examples how this could perhaps be achieved.

- SDG 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

The purpose of the CFCS is also to generate and share knowledge. General information about the solution will be shared on the Czech-UNDP Partnership website and across UNDP. The Czech-UNDP Partnership for SDGs specialists will promote visibility to the solutions by disseminating materials and information about the solution within UNDP. Especially across UNDP country offices to explore whether the solution could be viable to tackle development challenges in other countries in the region.

IV. CONSIDERATIONS FOR PREPARING THE PROPOSED SOLUTION

Who can apply?

The eligible applicants include **Czech private sector, NGOs, universities, state institutions or research centers**. The applicants are required to **engage local partners** to assure viability in local conditions, and to promote sustainability and scalability of the solution.

Entities wishing to apply to the CFCS need to meet the following eligibility criteria:

- *The lead applicant must be Entity registered in the Czech Republic.*
- The project must be implemented in one of the partner countries: *Bosnia and Herzegovina, Georgia, or the Republic of Moldova.*
- All applicants must demonstrate their capacity to implement their proposed Project, and will need to demonstrate adequate financial, material, human and other non-financial resources to implement the proposed Project within the set timeframe.
- The applicant may partner with other Entity/Entities which meet the eligibility criteria herein.
- The funding request is for a specific, new and innovative project that addresses the set development challenge. The CFCS views innovation in its broadest sense including: i) a new approach, product, idea or service that has not been tested anywhere; ii) is new to the beneficiary country; iii) has not been applied to the sector in question in the beneficiary country; or iv) service or business model being introduced to a target group where it has not been tried before.
- The proposed project must have a potential for financial, social and environmental sustainability and scale up.
- All projects must be inclusive in nature and benefit the target beneficiaries and contribute to the achievement of SDGs, rather than solely benefitting the participating Entity.
- The applicants will be eligible to an award ranging between US\$20,000 USD and US\$40,000 depends on the complexity of the proposed innovative solutions for each country project.
- The projects must demonstrate that the activities funded by the CFCS will be additional to the Entity's existing activities and that the projects would not go ahead without CFCS funding. The CFCS could also consider projects that if they would have gone ahead, it would be at a much-reduced pace or scale in the absence of the CFCS support.

The registration of the lead applicant in Czech Republic must be clearly demonstrated, i.e. by presenting an extract from the Public registry, Businesses and Property registration if the applicant or his/her supplier is registered there, or an extract from another similar register if he/she or his/her supplier is registered there.

The partnership with other entity/entities eligible for CFCS support must be clearly demonstrated, i.e. by presenting a copy of the cooperation agreement in English or a written sworn statement in English.

How to apply?

Applicants must submit their proposals using the application form provided as part of the CFCS Guidelines in Annex 1.

Submit your application and other related documents (all required documents in one file in pdf format, max. size 9 MB) to the following address: cup.applications@undp.org before or on 12 November 2018, 22:00 CET (GMT +1 hour).

V. THE PRIZE

Following the award decision, the selected Applicants will be offered to sign the Award Agreement. The Award Agreement, among others, contains the final Project Plan and Project Budget that is not necessarily the same as the one the Applicant submitted, resulting from negotiations with Applicant.

Prior to contract signature, UNDP and successful applicants will agree on specific activities, outputs, and timetables for the innovation.

Before signing of the Award Agreement, the Applicant must send all required documentation. Awarding is done under the general provisions of the Award Agreement, and the payment is done based on UNDP rules.

VI. SUBMITTING YOUR PROPOSED SOLUTION

General rules for applications:

- A. Each Entity may submit one application per CFCS country, however only one Application per Entity will be selected for award.
- B. Re-submission of modified and improved Applications is not allowed.
- C. Deadline for application is to be strictly respected.
- D. In evaluation process, only complete Applications will be accepted.
- E. All submitted documents must be in English language.⁶

⁶ Documents that are related to registration may be provided in original language. Therefore, all documents could be proposed according to the original versions. In such cases, be sure that documents should be delivered with original stamp and sign copy, thereby attesting that it is a true copy of the original document. Please note that photocopies or digital versions of certified copies cannot be accepted.

- F. UNDP shall examine the Proposal to confirm that all terms and conditions under the UNDP General Terms and Conditions and Special Conditions have been accepted by the Proposer without any deviation or reservation.

When preparing and submitting the application, the applicant must use the application form provided as part of the CFCS Guidelines in Annex 1.

Annexed to the application must also be the following documents:

- Extract from the Public registry, Businesses and Property registration if the applicant or his/her supplier is registered there, or an extract from another similar register if he/she or his/her supplier is registered there.⁷
- The declaration of the partnership with other entity/entities eligible for CFCS support, i.e. by presenting a copy of the cooperation agreement in English or a written sworn statement in English.

For the purpose of the application please attach a photocopy. If the Award is offered to the Applicant, documents stated above will be requested in hard copies.

VII. AWARD AMOUNT AND BUDGET

The Czech-UNDP Partnership for SDGs will provide up to US\$40,000 per project through the CFCS. The applicants are expected to provide in kind or financial co-funding of at least 20% of the total Project costs.

Typical items that can be covered from the Challenge Fund may include, but are not limited to:

- Salaries of project staff;
- Technology, design, business, development and other consultancy services;
- Advisory inputs;
- Small equipment and supplies;
- Training and workshop expenses;
- Other costs, including travel connected to the implementation of the project.

The expenses shown above should be predicted to reflect the Project goals and should be clearly justified in accordance with Project objectives. **Only expenditures accrued during the project in accordance with the Project Plan, in line with project objectives, necessary for achieving project outcomes, and completed by the end of the project are eligible for financing.** All agreements with subcontractors or third parties must be submitted with the Application and must contain provision that the Applicant retains ownership of all new intellectual property and know-how that may be created during the implementation of the Project.

Expenses that will not be considered for financing by CFCS include but are not limited to:

⁷ Documents that are related to registration may be provided in original language. Therefore, all documents could be proposed according to the original versions. In such cases, be sure that documents should be delivered with original stamp and sign copy, thereby attesting that it is a true copy of the original document. Please note that photocopies or digital versions of certified copies cannot be accepted.

- Capital expenditures;
- Interest or debt owed to any third party;
- Expenditures and provisions for possible future losses or debts;
- Items already financed through another similar scheme, program or institution, financial awards;
- Bank and currency exchange expenses, losses, fees and penalties;
- Marketing, sales and distribution costs for promoting the technology, product or service.

VIII. CRITERIA FOR SELECTING THE WINNER

After the deadline for the submission, all duly submitted Applications are reviewed against the eligibility criteria and completeness. All rejected Applicants will get a notice accompanied by a short explanation. For those Applicants the selection process is finished. They also do not have right to appeal.

All eligible and complete Applications will be evaluated by a five-member UNDP Evaluation Panel via review of the Application.

Eligible and complete Applications will be evaluated according to evaluation criteria as follows:

- A. Degree of innovation (level of novelty: new to the global industry or only to local market, or introduction of a new idea, approach, product or service to a target group) with consideration of risks (10%);
- B. Development impact and project quality, including intervention logic (20%);
- C. Experience of management and development team (10%);
- D. Potential for scale up and replication (10%);
- E. Long-term sustainability (financial, environmental, social) (10%)
- F. Value for money and cost-effectiveness (30%);
- G. Availability of co-funding (10% - 0 for the required minimum of 20% of total project costs, then 0.5% for every additional 1% co-funding of the total projects costs up to a maximum 10% = 40% co-funding of total project costs)

Only Applications that score above 50% will be evaluated in full and considered for award.

Please see the Annex 2 to this call for detailed description of the selection criteria.

IX. ANNEXES

Annex 1 – CFCS Guidelines

Annex 2 – Evaluation criteria