



# CHALLENGE

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# FUND

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## Czech Solutions for SDGs

Guidelines  
2022



# **CONTENTS**

<b>I. Basic Concept and Characteristics</b>	<b>3</b>
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<b>II. Selection Process</b>	<b>8</b>
------------------------------	----------

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<b>III. Evaluation</b>	<b>10</b>
------------------------	-----------

---

<b>IV. Implementation and Monitoring</b>	<b>12</b>
--	-----------

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<b>V. 2022 Call for Applications</b>	<b>13</b>
--------------------------------------	-----------

# Glossary

<b>Application</b>	The document with a pre-defined form, including project plan, project budget and CVs of experts, submitted to the Czech Challenge Fund (CFCS) in a regular and timely manner.
<b>Applicant</b>	Entity submitting Application to the Czech Challenge Fund.
<b>Award</b>	The financial amount received by the Awardee for the implementation of the Project
<b>Award Agreement</b>	The Agreement between the Awardee and UNDP governing the financial award and responsibilities of the Awardee during the implementation of the Project.
<b>Awardee</b>	The successful Applicant, who signed the Award Agreement.
<b>Co-financing</b>	The matching funds secured by the Awardee for the implementation of the Project. A minimum threshold for Co-financing is 20% of the total budget of the Project. Co-financing can be financial or in-kind (e.g cash value of use of facilities like lab or meeting spaces, patents and licenses for use, study materials, technologies, or components, etc.).
<b>Entity</b>	A person, partnership, organization, business etc. that has a legal and separately identifiable existence. This includes Czech private sector, NGOs, universities, state institutions or research centres.
<b>CUP</b>	Czech-UNDP Partnership for SDGs project financed by the Ministry of Foreign Affairs of the Czech Republic and implemented by UNDP Istanbul Regional Hub.
<b>Project Manager</b>	UNDP Project Specialist responsible for the management and the implementation of the CUP and all its activities (including CFCS).
<b>Project</b>	The innovative project implemented by the Entity according to the proposed Application and financed by CUP through CFCS.
<b>Project Budget</b>	The total budget of the Project, comprising of the maximum 80% of the price funding („Award“), and minimum 20% for the matching funds from other sources („Co-financing“), submitted as part of the Application.
<b>Project plan</b>	Detailed description of the Project on the pre-defined form, as part of the Application.
<b>Feasibility Study</b>	Document 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.

# I. Basic Concept and Characteristics

## Objectives

The Challenge Fund: Czech solutions for SDGs (CFCS) is a component of the **Czech-UNDP Partnership for Sustainable Development Goals (hereafter CUP)**, a project financed by the Ministry of Foreign Affairs of the Czech Republic and implemented by UNDP Istanbul Regional Hub to address development challenges in six priority countries: **Bosnia and Herzegovina, Federal Democratic Republic of Ethiopia, Georgia, Kingdom of Cambodia, Republic of Moldova, Republic of Zambia.**

The objective of the Challenge fund: Czech solutions for SDGs is to facilitate transfer of Czech know-how and innovative solutions that would address development challenges identified by UNDP Country Offices (CO) in the project countries and contribute to the achievement of SDGs.

**Sustainable Development Goals (SDGs)** provide a powerful aspiration for improving our world – laying out where we collectively need to go and how to get there.

SDGs refer to 17 Sustainable Development Goals adopted by all United Nations Member States in 2015. They provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

To learn more about the SDGs, you can visit the website: [17 Sustainable Development Goals \(SDGs\)](#).

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 and recognizes innovations can come in many forms and variations. The proposed **solutions need to be sustainable and have a potential for scale up**. It should empower those who are left behind or are at risk of being left behind. Gender sensitivity should also be integral part of the project.

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.

## Outcomes

The CFCS is looking for innovative solutions that generate improvement and value by introducing new methods, ideas, or products.

The Challenge fund: Czech solutions for SDGs views innovation in its broadest sense:

- 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.

Innovations come in different forms. The supported outcome is **a new approach, product, idea or service**. The supported outcome is also a **feasibility study** providing an innovative and replicable solution to the identified development challenge.



### Proof of Concept

To test the proposed solutions and/or to be able to tailor-make them. When the intellectual concept behind an innovation is field-tested to gain an early, 'real-world' assessment of its potential.



### Transition to Scale

When innovations that have demonstrated small-scale success develop their model and attract partners to help fill gaps in their capacity to scale.

If the outcome is a feasibility study, the study will include evidence that the proposed solution is feasible, and implementation plan specifying 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.

In both cases, the Awardee is expected to consult and implement their solution in cooperation 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 (Letter of Intent, Bilateral Contract, or Memorandum of Understanding).

The Awardee 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/or its scaling up.

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 applicant is also expected to cooperate with the CUP specialists on visibility and promotion of their solution.

## Award amount and Budget

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

- The total budget of the Project is comprised of the maximum 80% for the price funding („Award“), and minimum 20% for the matching funds from other sources („Co-financing“).
- Co-financing can be financial or in-kind (e.g. cash value of use of facilities like lab or meeting spaces, patents and licenses for use, study materials, technologies, or components, etc.).
- Co-financing above the minimum threshold is preferred and will be taken into account during evaluation; 0% for the required minimum of 20% of total Project costs, then 0.5% for every additional 1% co-financing of the total Project’s costs.
- Co-financing stated in the application and approved by the Project Board will be part of the contract as well as monitoring and reporting during the project implementation.



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;
- VAT, custom duty and delivery costs (if applicable);
- Other costs, including travel connected to the implementation of the project.

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

- 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.

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.

Applicants are required to incorporate all expenses in the project budget, including the expenses related to the VAT, customs, or insurance, among others. Budget has to be cleared and signed by the statutory representative.

## ***Duration of the Project***

The project must be completed within 12 months from the signature of the agreement. Expected start of the project is end of September/October 2022.

**The template of the Innovation Challenge Agreement** is available for viewing at the UNDP website. Applicants are required to read and ensure the internal approvals of the template of the Award Agreement. Changes and/or adjustments in the UNDP template of Award Agreement are not possible.

## ***Gender Equality***

When drafting the proposal and during implementation, it is desirable that the Applicant pays attention to gender equality from multiple relevant perspectives that include, among other,

- Human Resources: balance between women and men, boys and girls, in the implementing team(s) and intermediaries who will implement and publicly present the Project;
- Content and context: analysing and taking into account the possible differences between men and women, boys and girls, , in the local context and innovation content of the Project.

If the project is focused on the empowerment of men/women, its aim and goal need to explain the needs of the particular gender and the needs, which are expected to be covered.

## **Eligible Applicants**

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

- The lead applicant must be an **entity registered in the Czech Republic**. Potential participants include **Czech private sector, NGOs, universities, state institutions or research centers**.
- The applicant may partner with other Entity/Entities eligible for CFCS support. The applicant is responsible for the project and must warrant that the permission of the other members has been obtained.
- The project must be implemented in **one of the partner countries**: Bosnia and Herzegovina, Federal Democratic Republic of Ethiopia, Georgia, Kingdom of Cambodia, Republic of Moldova, Republic of Zambia.
- The Applicants are required to engage local partners to assure viability in local conditions.
- 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 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 proposed project must **have a potential for financial, social and environmental sustainability** and scale up or replication.
- 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.
- Support of the initiatives promoting the use and production of tobacco, alcohol, drugs, firearms and other dangerous substances and tools is not allowed.
- The applicant must apply for an Award ranging **between US\$20,000 USD and US\$40,000 USD**. The applicants provide **co-funding of at least 20% of the total cost of the project**. Co-funding can be in-kind. Co-funding above the minimum threshold is preferred and will be taken into account during evaluation.



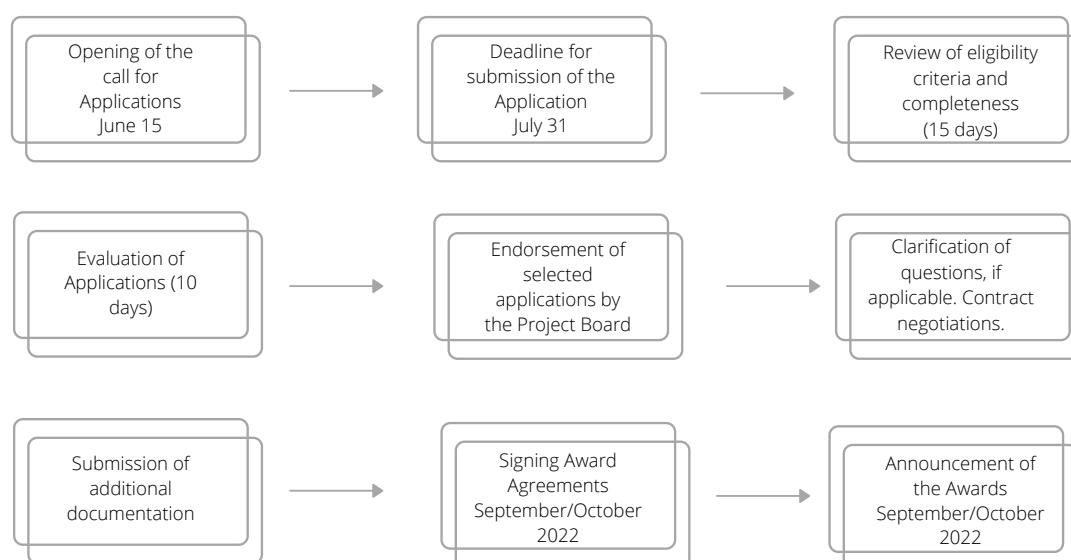
## II. Selection Process

**The selection process is open and designed according to the principles of merit, transparency, equality and rational use of funds, by launching one call each year, unless decided otherwise by the Project Board.** Applications are submitted and selected against clear eligibility and evaluation criteria. The applications which fulfil all eligibility criteria, best satisfy the evaluation criteria, and can fulfil legal requirements are offered to sign Award Agreement.

### General rules for Applications:

- Each Entity may submit **one Application per CSCF programme country**, however only one Application per Entity will be selected for Award.
- Deadline for Applications has to **be strictly respected**.
- Re-submission of a modified and improved Application after the deadline for Applications **is strictly restricted**.
- During the evaluation process, **only complete Applications** will be evaluated and accepted.
- The **Application and supporting documents** (such as Excerpt from the Trade register, Statute etc.) must be **provided in an electronic format**. Hard copy of supporting documents might be requested.

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.



## III. Evaluation

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

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

### **Evaluation Criteria**

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

#### **> Degree of Innovation 10%**

Degree of innovation with consideration of risks, which is demonstrated by the SDGs relevance, originality – i.e. new product or approach, new to local market/sector, disruptive and transferable.

*0% if not demonstrated, not relevant or questionable; 2 points for each element (new product or approach, new to local market/sector, disruptive, and transferable, consideration of risks), up to a maximum 10% when the degree of innovation with consideration of risks is strongly and clearly demonstrated.*

#### **> Impact and Project Quality 20%**

Development impact, Project quality and intervention logic, which are demonstrated by properly set up metrics for measurement of development impact (incl. sector benefits, number of positively affected beneficiaries, impact on beneficiaries), intervention logic (incl. clear methodology where activities lead to outcomes, measurable indicators for outcomes, response to real life conditions) and Project quality (incl. knowledge of local conditions and assessments preceding formulation of the Project).

*0% if not demonstrated, not relevant or questionable; up to a maximum 20% when the development impact, Project quality and intervention logic are strongly demonstrated and relevant.*

## > Experience of Team **10%**

Experience of the team, which is demonstrated by practical examples/references proving relevant expertise, relevant individual educational and professional experience (of at least 2 years) and suitable knowledge of English and local language/s. Maximum of experts per team is 5 people in total, their background is diverse and brings disruptive ideas and experience, e.g., experience in working with different technologies, familiarity with the key issues confronting a certain region, etc.

*0% if not demonstrated, not relevant or questionable; up to a maximum 10% when the experience of management and development team is strongly demonstrated and relevant.*

## > Potential for Scale-up **10%**

Potential for scale-up and replication, which is demonstrated in scalability (incl. building on existing technology or approach, adaptable at minimum cost, addressing bigger need in market) and replicability (incl. easy to duplicate, adaptable to different regions and countries, usable in other sectors).

*0% if not demonstrated or poor; up to a maximum 10% when the potential for scale-up and replication is strongly and clearly demonstrated.*

## > Long-term Sustainability **10%**

Financial, social and environment sustainability, which fits the local context and is valid for the long term.

*0% if not demonstrated, not relevant or questionable; up to a maximum 10% when the sustainability strategy is strongly demonstrated.*

## > Scope of Bid Price **30%**

Value for money and cost-effectiveness, which is reflected in balance between the overhead costs (incl. management costs, rent, production), production costs (incl. raw materials, equipment) and delivery costs (incl. installation and trainings, travel).

*0% if did not prove value for money; up to a maximum 10% when the balance is ideal, not questionable and without possibility of risks.*

## > Availability of Co-funding **10%**

The total budget of the Project is comprised of the maximum 80% for the price funding („Award“), and minimum 20% for the matching funds from other sources („Co-financing“). Co-financing above the minimum threshold is preferred and will be taken into account during evaluation.

*0% for the required minimum of 20% of total Project costs, then 0.5% for every additional 1% co-financing of the total Projects costs up to a maximum 10% = 40% co-financing of total Project costs.*

**Minimum threshold of 50% will be set for the evaluation of the Applications. Only Applications that pass the threshold in the evaluation can be considered for Award. Total number of Awards is limited by the total available funding for the Call for Proposals.**

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## ***Awarding Decision***

Based on the results of the evaluation of all received applications, the **overall ranking of all received applications is created according to the number of points received**, and threshold is defined by **considering the available funds** and the amount applications require from the CFCS.

The final decision for awarding is made according to the ranking list. Only Applicants with evaluation score above the defined threshold can be proposed for awarding. The awarding decision is guided by the principles of impartiality, transparency, and rationale use of funds.

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 implementation.

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.

## **IV. Implementation and Monitoring**

The Awardee is required to implement the Project in accordance with the Project Plan, **carefully and efficiently**.

Any significant deviation from the Project Plan (e.g. changes of timetables, or proposed milestones are not achieved) **requires prior written consent of the UNDP Project Specialists and/or preparation of the amendment to the Award Agreement**.

Overall implementation will be managed by UNDP's Project Specialists who also cooperate with UNDP Country Offices (CO). COs will be informed about the progress of the Project and utilize their expertise to support the on-site monitoring of the Project implementation.

## **Monitoring of Projects**

The purpose of the monitoring is: (i) to assess the progress of the successful Project implementation in terms of activities envisaged and the Project goal achievements, and (ii) to assure that financial expenditures are in accordance with the Project Budget for the given period.

Methods of monitoring include **review of submitted progress reports** and **on-site monitoring visits**. The monitoring will also ensure that key information is regularly collected and tracked so the CFCs and CUP progress can be measured towards set objectives.

The awardee has to deliver short mid-term report, and a detailed final report including all key information required for tracking progress against UNDP's targets and for the uses of Knowledge Management (for example lessons-learned).

Any changes to the project (e.g. regarding project implementation, timelines, project budget, deliverables, project staff, etc.) should be communicated to Czech-UNDP Project Specialist in writing, as they require written consent.

## **Disbursement**

Disbursement of funds will be made as per milestone deliverables specified in the Contract.

The Awardee is allowed **up to ten percent (10%) expenses variations** from the total Project Budget within any of major budget categories. Should the expenses variations related to any major budget category be expected to exceed ten percent, a written request for funds reallocation must be submitted for the UNDP approval.

In the case that the Awardee fails to perform any of its obligations under the Award Agreement, the UNDP shall be under no obligation to issue any further payment upon termination of this Award Agreement, and may, at its sole discretion, require that all or any part of the payments made by UNDP to the Awardee be repaid to UNDP.

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The **Challenge Fund – Czech Solutions for SDGs** is a component of the Czech-UNDP Partnership for SDGs, a Project financed by the Ministry of Foreign Affairs of the Czech Republic, implemented by the UNDP Istanbul Regional Hub.

## V. 2022 Call for Applications

### ***About the call***

The objective of the **Challenge Fund: Czech Solutions for SDGs** is to facilitate transfer of Czech know-how and innovative solutions that would address development challenges and contribute to the achievement of SDGs.

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.

All the details regarding the background of the call, criteria for selection and evaluation can be found in the **Terms of Reference** at the <https://procurement-notices.undp.org/> website.

### ***Application deadline***

Challenge Fund Applications must be sent to [procurement.irh@undp.org](mailto:procurement.irh@undp.org) by **Sunday 31 July, 2022. 11:59 p.m. CET.**

Subject of the submission email should read: ***"Application - Czech Challenge Fund 2022"***

During the evaluation process, only complete Applications will be evaluated and accepted.

### **What kind of Challenges and solutions?**

Listed below are **Development Challenges** per country. The list also includes examples of possible solutions, targets or outputs for each challenge. The list of examples is not exhaustive.

If your idea does not fit in any of these development challenges, please do not hesitate to contact us before applying!

For more **details on 2022 Call for Applications, please consult the Procurement Announcement and the Terms of Reference** available at the UNDP Procurement Website.

# 01

## Bosnia and Herzegovina

### Challenge I.: Sustainable Growth

- Circular Economy
- Decarbonization
- Green Economy
- Technology and Sustainable Tourism
- Sustainable Agriculture
- Sustainable Urban Development

### Challenge II.: Good Governance

- Waste Management
- Exit Single-Use Plastics
- Air Pollution
- Renewables
- Green Procurement
- Food Waste

# 02

## Federal Democratic Republic of Ethiopia

### Challenge I. Climate Resilience and Environment Sustainability

- Access to renewable, affordable, and clean energy, solar energy solutions
- Sustainable urbanization and Smart City technologies, including strategic benchmarking tools for economic growth via Big Data usage, dynamic traffic control and intersection coordination, systems for inspection and maintenance of city infrastructure
- Data crowd sourcing platform

### Challenge II. Inclusive Economic Transformation

- Strengthening the innovation ecosystem targeting the youth
- Technologies and tools to facilitate technology transfer and cooperation between universities and industry
- Inclusive and innovative finance, Digital payments and innovative finance tools/approaches
- Support to SMEs
- Sustainable agriculture

# 03

## Georgia

### **Challenge I.: Sustainable Growth**

- Green dimensions of urban development
- Public infrastructure and public urban areas
- Development to attract/support tourism
- Support for community areas and inclusive spaces

### **Challenge II.: Good Governance**

- Building/support of inclusive society
- Democratic participation
- Support of the needs of vulnerable and disadvantaged people

### **Challenge IV.: Rural Development, Jobs and Livelihoods**

- Strengthening the innovation ecosystem
- Support of youth employment
- Covid-19 socio-economic recovery

### **Challenge V.: Disaster Risk Reduction and Environmental Protection**

- Development of protected landscapes and areas
- Waste Management
- Exit Single-Use plastics
- Air Pollution and renewables
- Green procurement
- Food waste

**If your idea does not fit in any of these development challenges, please do not hesitate to contact us before applying!**



## 04

### Kingdom of Cambodia

#### Challenge I.: Sustainable Growth

- Youth employment, job creation
- Support of youth and women-led enterprises and livelihoods
- Covid-19 socio-economic recovery

#### Challenge II.: Green Economy and Circular Economy

- Climate resilience
- Sustainable agriculture

#### Challenge III.: Energy Efficiency and Renewable Energy

- Innovative green solutions and energy affordability
- Energy efficiency

## 05

### Republic of Moldova

#### Challenge I. Sustainable Growth

- Inclusive and Equitable economic growth
- Support of markets, employment, encouragement of economic growth
- Mitigation of negative impacts of economic decline in the sectors of agriculture, market, employment

#### Challenge II. Sustainable Green Cities

- Green technologies & Affordable energy sources
- Ensuring energy affordability
- Mitigating the impacts of energy poverty for local communities

#### Challenge III. Digital Transformation

- Digital Innovations & New Solutions for ICT Sector for local communities in and refugees from Ukraine.

## Challenge IV. Climate Change

- Energy efficiency
- Green transformation (Based on EU Green Deal)
- Environmental sustainability and resilience
- Ensuring energy affordability
- Mitigating the impacts of energy poverty for local communities and refugees from Ukraine

## Challenge V. “Just Transition” - Environment; Anti-Corruption and Eco-Innovations in the Governance Line

- Digital services and technologies to improve and support the public service delivery
- Increasing people’s engagement, enhancing transparency, accountability, inclusion

# 06

## Republic of Zambia

### Challenge I. Good Governance

- Access to education, including innovative ways to produce and fund school equipment and education activities
- Youth employment, job creation, focus on creation and support of youth and women-led enterprises and livelihoods
- Local Development, including promotion of local enterprise development, and development of new value chains

### Challenge II. Nature Resources Management and Renewable Energy

- Innovative green solutions and energy affordability, solar energy and mini-grid systems

### Challenge II. Climate Change

- Climate resilience
- Climate Change adaptation and mitigation
- Sustainable agriculture and diversification of including forestry (and production of timber), fishery (with support of sustainable river fishing and fish farming) beekeeping
- Support of cooperatives

**If your idea does not fit in any of these development challenges, please do not hesitate to contact us before applying!**



## Where can we learn more?

We will be hosting in **person and online webinars** on the dates listed below, to provide clarifications and answer any questions you might have about this year's Challenge Fund.

- Thursday 16 June 2022, 09:00 - 11:00 CET (physically in Prague, in Czech language)
- Tuesday 28 June 2022, 15:00 – 16:00 CET (in Czech language)
- Wednesday 29 June 2022, 15:00 – 16:00 CET (in English language)

Information on the upcoming webinar and links to register are posted **on the UNDP website**. After registration you will receive a notification with a link to join the webinar.



# CZECH

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## Guidelines

June-July, 2022

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