

Slovak Challenge Fund: Slovak Solutions for SDGs (SCF) (Guidelines)

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Glossary

Application	The document with a pre-defined form, including project plan, project budget and CVs of experts, submitted to the SCF in regular and timely manner.
Applicant	Entity submitting Application to the SCF from the private sector.
Award	The financial amount received by the Awardee for the implementation of the Project.
Award Agreement	The Agreement between the Awardee and UNDP governing the financial award and responsibilities of the Awardee during the implementation of the Project.
Awardee	The successful Applicant, which signed Award Agreements.
Entity	A person, partnership, organization, business etc. that has a legal and separately identifiable existence. This includes Slovak private sector entities.
Feasibility Study	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.
Partnership Project	Short term for the project 'UNDP-Slovakia Partnership: Effective Development Cooperation Solutions', financed by the Ministry of Foreign and European Affairs of the Slovak Republic and implemented by UNDP Istanbul Regional Hub.
Partnership Project Manager	UNDP Project manager responsible for the management and the implementation of the 'Partnership Project' and all its activities (including SCF).
Project	The innovation project implemented by the Entity according to the proposed Application and financed by the 'Partnership Project' through SCF.
Project Budget	The total budget of the project, comprising of the maximum 80% for the Award, and minimum 20% for the matching funds from other sources, submitted as part of the application.
Project Plan	Detailed description of the Project on the pre-defined form, as part of the application.
SCF	Slovak Challenge Fund. The Challenge Fund established under the Slovak-UNDP Partnership for SDGs project with the purpose to facilitate transfer of the Slovak 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.

1. Basic concept and Challenge Fund characteristics

1.1 Challenge Fund objectives

The Slovak Challenge Fund (SCF) is a component of the 'UNDP-Slovakia Partnership: Effective Development Cooperation Solutions for the SDGs' (hereafter 'Partnership Project'), a project financed by the Ministry of Foreign and European Affairs of the Slovak Republic and implemented by UNDP Istanbul Regional Hub during the period 2018 – 2021, to address development challenges in two partner countries: **North Macedonia** and the **Republic of Moldova**.

The objective of the Slovak Challenge Fund is to facilitate the **transfer of Slovak know-how and innovative solutions** that would address development challenges identified by the respective UNDP Country Offices, and contribute to the SDGs' achievement.

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 see the list of SDGs and their targets, please visit: <https://sustainabledevelopment.un.org/sdgs>

The SCF is looking for innovative solutions that generate improvement and value, especially by introducing new methods, ideas, or products. The SCF views innovation in its broadest sense. The proposed solutions need to be sustainable and have a potential for scale up. The eligible applicants include Slovak **private sector entities**. The applicants are required to **engage local partners** to assure viability in local conditions, and to promote sustainability and scalability of the solution.

1.2 Outcomes

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. The study will include evidence that the proposed solution is feasible, and an 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.

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

The purpose of the SCF is also to generate and share knowledge. General information about the solution will be shared on the Slovak-UNDP Partnership website, across the UNDP and among the community of innovators.

The 'Partnership Project' manager 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.

1.3 Award amount and budget

The 'Partnership Project' will provide between US\$20,000 and US\$40,000 per project through the SCF. 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;
- 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 the 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 SCF financing 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.

1.4 Duration of the project

The Project must be completed within 12 months from the grant award.

1.5 Eligible applicants

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

- The lead Applicant must be a registered entity (from the private sector) in the Slovak Republic.
- The Project must be implemented in one of the partner countries: North Macedonia 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 eligible for SCF support. The Applicant is responsible for the Project and must warrant that the permission of the other members has been obtained.
- The funding request is for a specific, new and innovative project, documented in the methodology of the feasibility study, that addresses the set development challenge. The SCF 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 (if applicable); 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, benefit the target beneficiaries, and contribute to the achievement of SDGs, rather than solely benefitting the participating Entity.
- The Applicant must apply for an Award ranging between US\$20,000 USD and US\$40,000.
- 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.
- The Projects must demonstrate that the activities funded by the SCF will be additional to the Entity's existing activities and that the projects would not go ahead without SCF funding.

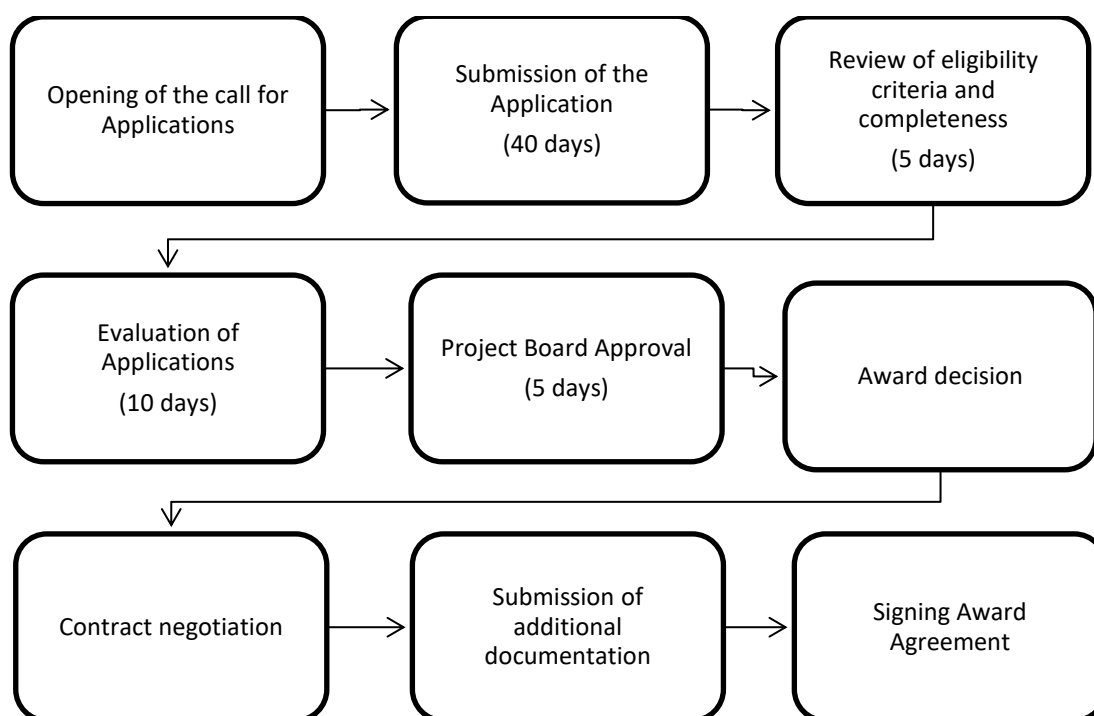
2. Selection process

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. (The decision to open more than one call per year could be decided on by the Ministry of Foreign and European Affairs of the Slovak Republic.) Applications are submitted and selected against clear eligibility and evaluation criteria. The Applications which fulfill all eligibility criteria, best satisfy the evaluation criteria, and can fulfill legal requirements are offered to sign an Award Agreement.

General rules for Applications:

- Each Entity may submit one Application per SCF country, however only one Application per Entity will be selected for Award;
- Re-submission of a modified and improved Application is not allowed.
- Deadlines of both Application stages are to be strictly respected.
- During the evaluation process, only complete Applications will be accepted. Hard copy Documents required (such as Excerpt from the Trade register, Statute etc.) must not be sent by mail to the UNDP before requested, if the Award is offered to the Applicant.

3. Evaluation and selection decision



3.1 Evaluation

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.

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 etc.) 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 (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)

Minimum threshold of 50% will be set for the evaluation of the Applications. Only Applications that pass the threshold in the evaluation will be considered for Award.

3.2 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 the threshold is defined by considering the available funds and the amount applications required from the SCF.

The final decision for awarding is made according to the ranking list. Only Applicants with an 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 innovation.

Before signing 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.

4. Implementation and monitoring of the Projects

4.1 Implementation of the Projects

The Awardee has to carry out the Project carefully and efficiently in accordance with the Project Plan and Project Budget, respecting the provisions of the Award Agreement.

The Awardee is required to implement the Project in accordance with the Project Plan. 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.

The overall implementation will be managed by the 'Partnership Project'. The Partnership Project manager will also cooperate with UNDP Country Offices, which will be informed about the progress of the Project, and utilize their expertise to support the on-site monitoring of the Project implementation.

4.2 Monitoring of the 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 SCF and the 'Partnership Project' progress can be measured towards set objectives.

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

Any changes to the Project (e.g. regarding Project implementation, timelines, Project budget, deliverables, Project staff, etc.) should be communicated to the UNDP Country Office contact point and the 'Partnership Project' manager in writing as they require written consent.

4.3 Disbursement

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

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 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 the UNDP to the Awardee be repaid to the UNDP.

5. Impact Evaluation

All information collected and analyzed will be used to measure the success of the SCF and the 'Partnership Project'. Success will be measured against the set 'Partnership Project' indicators. All information, and especially lessons learned will be documented, analyzed and shared.