

EXPRESSION OF INTEREST – TERMS OF REFERENCE AND GUIDELINES

Title: **SDG Accelerator Program for Moldovan SMEs**
Project: **A PILOT PROGRAM FOR SMALL AND MEDIUM SIZED ENTERPRISES IN MOLDOVA (2019 – 2020) TO PROMOTE UN GUIDING PRINCIPLES FOR BUSINESS, HUMAN RIGHTS AND PRIVATE SECTOR'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT**
Coordinator: UNDP Policy Specialist
SDG Innovation
Journey Facilitator: International Business Analyst
Duty Station: At company level, with working meetings in Chisinau, Moldova
Duration: up to 12 month acceleration cycle, starting September 2019.

UNDP invites Moldovan small and medium sized companies to express their interest in taking part in the SDG Accelerator Program. The Program is described below in this call for expression of interest.

A. Depending on your company's ambition and challenge you want to solve, the benefits of participating in the SDG Acceleration Program are:

- Free international expert business consulting on business modeling, business innovation and/or new product/service/process development (up to 7 working days of direct consultancy per company and joint work in the form of workshops);
- Exclusive access to a business innovation toolkit developed in Denmark and successfully used and applied by Danish companies;
- Collaborate with and learn from the experience of same successful companies from your industry who we will connect you with;
- Access to international examples of business models responding to the sustainable development challenges the companies face in the challenging times ahead;
- Improve key employee retention rate and attract new talents through adoption of revised, innovative and more inclusive human resource practices we will help you develop;
- International visibility of your company's products/services and higher awareness in Moldova;
- Develop new collaborative relationships with contractors, partners and customers using new tools and through public awareness of your internal SDG campaign;

- Become connected with potential new sources of financing trade and operations by improved standards, wider visibility and through our partner organizations and experts who are your window to Europe and beyond;
- Learn about lean data in designing more effective marketing strategies to increase sales;
- Learn about global best practices for internationalization and operational improvements;
- All of the above can improve your company's efficiency, potentially increase profits and sales revenues.

B. How to participate?

Interested companies shall submit the following information:

- Letter of interest to participate (no special format) describing the specific interest of the company to participate and vision of how the program will be used for the modernization and development of the company. Can be submitted in the form of e-mail;
- Application Form (template available and attached as Annex);
- Company registration certificate.

Applications shall be sent to the following e-mail address: jana.midoni@undp.org, with the subject line "SDG Acceleration Program" and copy (CC) to dumitru.vasilescu@undp.org.

Application Deadline: 16 September, 2019

C. Who are eligible to apply?

Eligible applicants to the SDG Acceleration program are:

- Moldovan privately owned (at least 75 percent private per the JSC Law) companies, established at least two years before 16 September 2019, operating in any industry sector except: catering services providing only alcoholic beverages; casinos, gambling and similar activities; production and distribution of tobacco products.
- For profit SMEs, registered with Moldovan State Registration Chamber and operating under the [Moldovan Laws](#).
- Not possess outstanding debts in terms of public contributions or have accumulated losses above the equity value.
- The Applicants and individual owners have not been convicted of crimes connected to business operations.

D. Background

[Agenda 2030](#), adopted by UN and the Governments in 2015, calls for a new partnership for development involving all stakeholders (public sector, private sector, development partners, civil society and citizens). The business community plays a key role in achieving sustainable development of the economy in its three dimensions (economic, social and environmental), and fulfilling the commitments outlined in Agenda 2030. As stated in the SDG declaration, private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and capacity to apply creativity and innovation – needed ingredients to solve development challenges. A prerequisite in this regard, for a well-functioning business sector that contributes to sustainable development, is respect for protection of labour rights and environmental and health standards in accordance with relevant international

guidelines, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the labour standards of ILO (article 67, Preamble to 2030 Agenda for Sustainable Development).

The UNGPs set forth expectations on the private sector to undertake human rights due diligence to identify, prevent, and mitigate potential negative impacts due to their respective business operations. As such, the UNGPs should be seen as an inevitable component of Corporate Social Responsibility (CSR). Moreover, companies willing to take advantage of the existing and upcoming opportunities of today and tomorrow might want to incorporate UNGPs into their business models and policies.

The private sector should embark from a perspective of avoiding adverse human rights impact through application of the UNGPs. The SDGs should be seen as an opportunity for development of private sector led answers and technologies to address common and global challenges. This in turn can realise corporate benefits, such as finding new business opportunities, enhancing long-term profitability, and strengthening stakeholder relations.

E. The Moldovan context

The concept of Corporate Social Responsibility (CSR), embedded in the UN Guiding Principles on Business and Human Rights, is not a commonly integrated strategy by Moldovan enterprises and there is even no government strategy on sustainable business practices and human rights. Most of the time, corporate responsibility is interpreted as a charity and many companies therefore engage in one-time events and campaigns without including new practices and routines as a strategic aspect of the businesses per se.

A number of introductory seminars and information sessions concerning due diligence and sustainability has been delivered across the country by a number of actors, such as the State Agency for SME's (ODIMM), however without any notable and lasting effects. In 2014, Moldova signed a free trade agreement (DCFTA¹) with the EU, a market that is increasingly demanding on companies in terms of their sustainability, due diligence and fairness in their business practices, which are often reflected in a company's CSR program. Thus, an incentive arose for existing and prospective Moldovan exporting companies to include such concepts in their business strategy. Unfortunately, there is still a lack of knowledge, and a proof of concept especially, among Moldovan business owners to incorporate aspects of human rights and sustainable development in their business strategy.

The business models of the small and medium sized Moldovan companies are rarely aligned to any of the UN's Sustainable Development Goals either. There is limited understanding that such alignment is conducive to higher turnover, strong loyalty from customers, expanded customer base and an overall improved position of competitiveness among peers. The lack of relevant local business cases makes the promotion of the SDG alignment a very difficult endeavor.

F. The partnership – UNDP and Sweden

Over the past several years, UNDP has been actively engaging with the private sector companies for advancing the common good through the adoption of UNDP's Private Sector and Foundations Strategy

¹ See: <https://ec.europa.eu/trade/policy/countries-and-regions/countries/moldova/>

for the Sustainable Development Goals 2016–2020² and direct engagement with the private sector in various projects, both in Moldova, but also globally. During this process, the following has been observed:

1. Companies in Moldova increasingly seek to contribute to sustainable positive impact in the welfare of their employees and customers, going beyond the passive do-no-harm approach and to make a lasting contribution towards a wider sustainable development strategy.
2. Sustainable Development Goals (SDGs) offer exciting opportunities for companies to rethink their business models and internal policies and to innovate existing products and services that not have the dual benefit of increased turnover, while also contributing to a more sustainable and inclusive society in which they live and work.

The UNDP Moldova recently initiated a national [Dialogue](#) with the private sector that revealed three areas of opportunities that companies might want to explore as a means of promoting SDGs: skills and education, renewable energy, agriculture and ICT.

UNDP had also launched a [special facility](#) to engage with the private sector by exploring new ways to accelerate adoption of SDGs, mainly at the level of support for *new products and services aligned to SDGs*, as well as testing of *alternative financing mechanisms* for development. This work in Moldova is further supported by Sweden, including through funding, Sweden being a promoter of Agenda 2030 and a supporter of the Business Call to Action - a multilateral alliance which aims to provide examples of successful, profitable and scalable models for reaching poor communities and contributing to global development.

Enhanced economic integration with the EU and development of a vibrant market economy in Moldova to fully benefit from the Deep and Comprehensive Free Trade Agreement (DCFTA) with EU is a key objective of Swedish cooperation in Moldova. Other areas of cooperation include development of a democratic society and work towards a healthier environment. One of several programs Sweden supports is the Moldova Competitiveness Project (MCP), implemented in partnership with USAID. It aims for the development and competitiveness of Small and Medium-sized Enterprises (SMEs) across the following four sectors: fashion and apparel, tourism, specialized agricultural industry and Information and Communication Technology (ICT).

Swedish direct trade with Moldova is limited, but there is a potential for a substantial increase in trade and that's an opportunity for our project beneficiaries such as you. Swedish trade promotion in Moldova attempts to support and be in line with the cooperation priorities, targeting at improving the sustainability and corporate responsibility of Moldovan companies are deemed to be a suitable area of focus and something that might improve the trade between Sweden and Moldova.

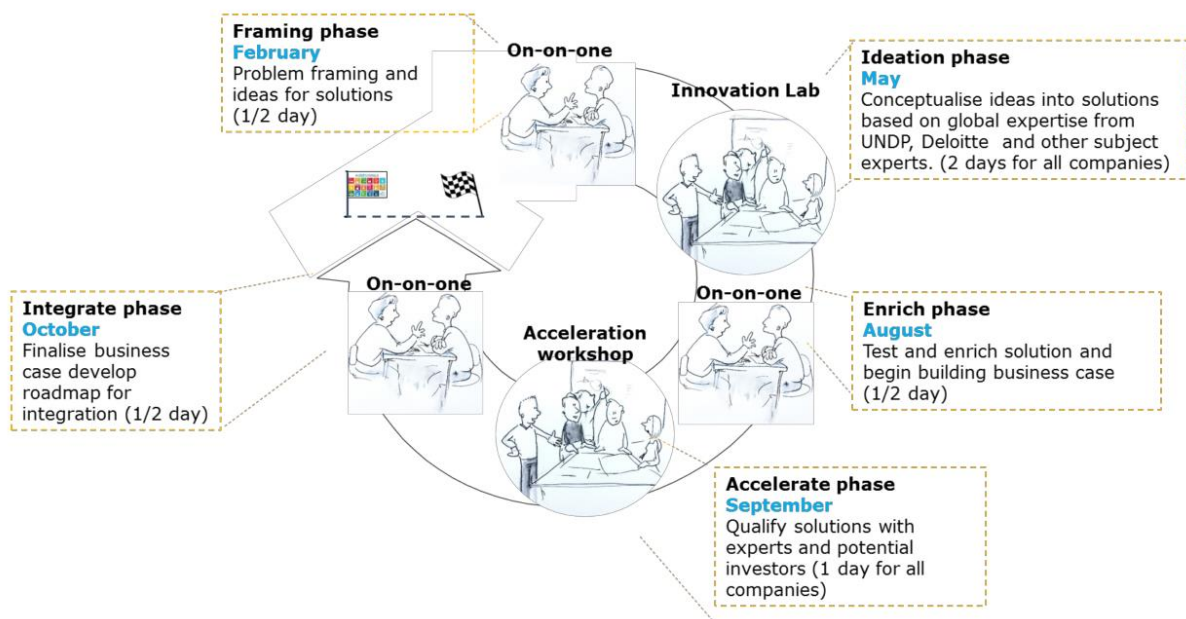
G. A pilot program for small and medium sized Moldovan businesses (SMEs)

The Embassy of Sweden in Moldova in partnership with UNDP Moldova, Business call to Action ([BCtA](#)) and the [UNDP's SDG Accelerator for SMEs](#) initiated this pilot program – the SDG Accelerator - to support the alignment of local small and medium sized companies to the SDGs.

² <https://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/iicpsd/strategy-note---undp-s-private-sector-and-foundations-strategy-f.html>

The SDG Accelerator pilot program would cover workshops, bilateral meetings and mentorship for the period of up to 12 months for a small number of selected local companies, following the SDG Accelerator's life cycle and individual work plans agreed with each company.

The SDG Accelerator's life cycle or the SDG Innovation journey starts by framing the SDG problem the company seeks to solve and ends with planning how the company should integrate the new solution into their daily business operations. The SDG Innovation journey shifts between individual sessions with the company and the facilitator and joint workshops where the companies work on their solutions in teams.



The technical support will cover, but not limit to the following:

- Kick-off workshop introducing UN Guiding Principles on Business, Human Rights, SDGs, CSR, showcasing success stories of SDG alignment with corporate strategies. An acceleration workshop will involve brainstorming about business strategies to achieve alignment with SDGs through their integration into the business model and operations;
- Individual support for SMEs to “unpack and repack” the current business models (up to seven consultancy working days per company in the pilot), identifying new and aligned product/service/business processes to support repacking of the business model;
- SDGs implementation guidance and rollout of an impact management plan.

H. Main objectives of the SDG Acceleration Program

- Guide selected SMEs in understanding the SDGs and the opportunities they open to the participating companies, as well as guide them in identifying the new or adjusted product/service/process supporting company sustainable development;
- Support SMEs to unpack and repack their business models to incorporate UN Guiding Principles for Business, Human Rights, and making their internal business processes and models more

inclusive, innovative and gender-balanced, as well as aligned to specific SDGs and targets. Also, companies will be supported to develop new or consistently modernize products, services or internal business processes to selective SDGs;

- Support companies to develop SDG-focused impact framework enabling them to evaluate and manage impact, use lean data approach and build internal capacity for such;
- Support with targeted communication on SDG alignment both inside the organization, as well as in mass media;
- Business match-making, i.e. connecting pilot companies to their regional peers to enable joint learning and networking around SDGs and seeing SDGs as an opportunity to be explored for the *coming years*.

UNDP Moldova invites businesses to join the SDG Accelerator by applying to this expression of interest call. A small number of local companies (4-5) will be selected to take part in the SDG Innovation journey. For a period of up to 12 months, the participants, with the support of the Moldova Innovation team, international business analyst as well as identified regional peers, will design/ re-design their business strategies to achieve a greater alignment with SDGs, will monitor the impact of modernized business model, collect relevant data and develop internal evaluation reports with the help of the Companies register with the Impact Lab of the BCtA - <https://impactlab.businesscalltoaction.org/> upon eligibility.

I. Evaluation and selection process

The assessment of applications will be undertaken in 2 stages by the evaluation committee where representatives of UNDP Moldova Project Team, SDG Accelerator Denmark, International Business Analyst will take part. Requests received after the deadline will not be considered for evaluation.

The following evaluation stages will be applied:

Stage I: Verification of eligibility of applicants and how applicant's vision and ideas described in the application form are aligned to the program's objectives and met the evaluation criteria.

All applicants who will meet the eligibility criteria stated in point C. above, will be evaluated against the below criteria:

Evaluation criteria:	Maximum points awarded
Availability of the applicant to revise/create new business service/product/process and/or revise it's business model in the following year	Up to 30 points
The applicant has an initial understanding of Corporate Social Responsibility and/or Sustainable Development Agenda and is open to learn more about how business is linked to the Sustainable Development Agenda	Up to 20 points
The applicant has an initial idea for working with in the SDG Accelerator	Up to 25 points
The capacity of the applicant to run an SDG Acceleration program cycle, including the involvement of human resources	Up to 25 points
Total	Max 100 points

Stage II: The first 5 applicants who gained the maximum number of average points in the 1st stage of the evaluation will be interviewed for clarifications and additional details on the application process. In case one or more companies from the first 5 interviewed will not be included in the program following

the interview clarifications, the company will receive an argued notification letter and the following company/ies in the list will be interviewed.

Participants' selection principles and

During the selection of participants for the pilot program, the following principles will be considered in the assessment process:

- Open and transparent competitive process, based on UNDP practices and rules.
- Promotion of key human rights, in particular the right for work and the right to have access to the developments in science and technology.
- Promotion of equal opportunities and access of women and men to get relevant knowledge and experience in promotion of innovations applied to real business environments.
- Promotion of environmental sustainability aspects in all daily undertakings and specific activities, showcasing how innovations create a more sustainable environment. Readiness to do start this kind of promotion is also considered.
- Accountability – recognizes and supports business, technological and managerial excellence at the highest level.
- Transparency – all activities, decision-making and financing are fully transparent and public.
- Measurability - impact and results of the intended changes must be measurable at least at the capacity adequate for evaluation. The participating companies shall be available to register (free of charge) with the BCTA Impact Lab (<http://bctaimlab.qburst.build/>) and use the facility to measure the impact of the implemented project in case screened eligible for registration.
- Avoiding conflicts of interest – all operations and decisions made avoid direct or indirect conflict of interest of all persons involved in procedures.
- Ethical and other good practices in business are promoted - in the sense that UNDP corporate values will be supported.

All applications will be equally and justly evaluated, and objectively and independently assessed.

J. SDG Acceleration program agreement

Following the evaluation process, the applicants recruited in the SDG Acceleration program will sign a Memorandum of Understanding to confirm its agreement with the terms of the program, areas of cooperation, rights and responsibilities of both parties. The Due Dilligence performed by UNDP on the selected companies will preceed signing of the Memorandum of Understanding.