Innovation Challenge Scheme
Operational Manual for innovation projects with impact on Sustainable Development Goals (SDGs) and Digital Transformation in Public and Private Sectors

Digital Public Goods for development response in the Ukraine crisis
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## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>The main applicant</td>
<td>An IT company, a start-up or a group of initiative in the ICT sector, submitting a proposal for an innovative digital solution in one of the areas of the current competition mentioned at p. 2.1.</td>
</tr>
<tr>
<td>Collaborative group of companies (CGC)</td>
<td>A group of at least 2 companies/institutions, each coming from diverse fields, where the main applicant is an ICT industry company/start-up/group of initiative, and the co-applicant: a company from a different field or traditional industry, a Business Association, a public institution (local public authority, a Governmental Agency, school, hospital, other), academia or research institution. The group should jointly apply to the initiative of UNDP Moldova.</td>
</tr>
<tr>
<td>Application</td>
<td>The innovation project proposal submitted to UNDP Moldova through UNDP Digital Transformation Project.</td>
</tr>
<tr>
<td>Beneficiary(ies)</td>
<td>The company(ies) which has been awarded and which signed Award Agreement with the UNDP funding body.</td>
</tr>
<tr>
<td>Target group</td>
<td>Primary: Refugees from Ukraine, users of digital solutions. Secondary: Refugees from Ukraine, as well as, Moldovan women and men who will eventually benefit from the implementation of the project.</td>
</tr>
<tr>
<td>Concept Note</td>
<td>The form completed by Applicant/CGC to describe the general project idea.</td>
</tr>
<tr>
<td>Award Agreement</td>
<td>The Agreement between the awarded company(ies) and UNDP, governing the financial award and responsibilities of the Beneficiary during the implementation of the Project.</td>
</tr>
<tr>
<td>Award</td>
<td>The amount of award received by the Beneficiary without returning obligations in order to perform the pilot.</td>
</tr>
<tr>
<td>Intellectual Property (IP)</td>
<td>Intangible property related to the innovative idea, technology, design or concept which can be legally treated and protected.</td>
</tr>
<tr>
<td>Investment Committee</td>
<td>The Committee in charge for selecting and monitoring the projects, composed of UNDP.</td>
</tr>
<tr>
<td>Management Team</td>
<td>The project management team in charge for implementation of the challenge.</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Monitoring and Evaluation support</td>
<td>Support provided by UNDP Moldova for the monitoring and evaluation of innovative project implementation.</td>
</tr>
<tr>
<td>Impact measurement</td>
<td>Support provided by UNDP, through the Business Call to Action (BCtA) and Impact Lab facility, in measuring the impact of the products/services of solutions on specific Sustainable Development Goals (SDGs).</td>
</tr>
<tr>
<td>Project</td>
<td>The innovation project implemented by the Beneficiary companies according to the proposed Application and financed by UNDP Digital Transformation Project. This could be a new product, service or market solution.</td>
</tr>
<tr>
<td>Project Budget</td>
<td>The total project budget of the innovation project, comprising the maximum 50% award and minimum 30% own contribution and/or matching funds from other sources, submitted on the pre-defined form, as part of the full application. The award bodies may evaluate a lower contribution based on individual evaluation.</td>
</tr>
<tr>
<td>Project Plan</td>
<td>Detailed description of the innovation Project on the pre-defined form, as part of the full application.</td>
</tr>
</tbody>
</table>
Background

UNDP is leading the socio-economic response to the ongoing crisis in Ukraine closely coordinating with the humanitarian response and partners such as UNHCR. The UNDP Moldova country office (CO) is a key actor in the regional response effort: Already, Moldova is hosting the highest numbers of Ukrainian refugees per capita, and the number is increasing steadily. The vast majority of these refugees are women and children (around 2/3), and elderly people: these are particularly vulnerable groups, faced with specific needs and challenges that need to be addressed. UNDP Ukraine country office has identified a strong need for support in essential service provision including providing psychological counselling and legal aid. Another key priority for the humanitarian response is to strengthen the absorption capacity of local CSOs and governments that will be receiving aid. Digital solutions can play a key role in responding to these needs. Telehealth platforms, digital payment solutions and digital platforms to match needs with demands will play a key role in essential service delivery as part of the humanitarian response. The volatility of the current situation creates a need to quickly equip local actors including governments, central and local, NGOs and private sector in the region with easily scalable, adaptable, and open solutions and open data to track availability of goods, movements, conflict, misinformation and more. UNDP Moldova is uniquely positioned to respond to those needs. As many of the region’s tech talents from Ukraine and Belarus are moving to Moldova, Moldova is ideally situated to lead these efforts in the region, closely collaborating with the humanitarian response in Moldova and Ukraine and local CSOs such as #TechforUkraine. Building on UNDP’s strong local digital portfolio in Moldova, the country office aims to surface, implement, support and develop Digital Public Goods/open-source solutions for socioeconomic recovery that meet the emerging needs of local actors including governments and civil society organisations. This will include solutions in areas such as telehealth, crisis communication, information pollution, movement tracking, open data and labor market integration. UNDP Moldova will play a critical role in surfacing the needs of governments and local actors incl. refugees to the local developer and private sector community. UNDP Moldova can also leverage existing assets such as the already established data collaborative with private and public sector partners like the European Space Agency. The project will result in successful implementation or development of open-source solutions in use by governments and civil society organisations in the region. The insights and results from this work will also directly contribute to the Digital Public Goods Alliance Communities of Practice (CoP) in data and information pollution. The UNDP Chief Digital Office with UNDP Moldova through the global Digital Public Goods for Development (DPG4D) project is providing seed funding to launch a series of Digital Innovation Challenges to address the challenges mentioned above. It is expected that additional partners will co-fund the proposed activities.

The current situation in Ukraine is a major regional crisis with potentially disastrous implications for us all. The decisions of the coming days will shape our world and directly affect the lives of millions of people. UNDP is concerned by the far-reaching effects of the current tensions on Ukraine’s economy, which is already weakened by the COVID-19 pandemic. As the lead UN agency for the socioeconomic response, UNDP is already engaging with the private sector and other UN agencies including UNHCR to support regional governments and CSOs in their response efforts. UNDP’s Moldova country office takes a key role in supporting the regional crisis response. UNDP Moldova country office is also supporting the Ukraine country office with a range of initiatives, including the recent collaborative
work on use of satellite imagery to assess the impact of COVID-19 on air pollution in both Moldova and Ukraine (https://www.md.undp.org/content/moldova/en/home/library/climate_environment_energy/cov
id-19-impact-on-air-quality-in-ukraine-and-the-republic-of-mo.html) Building on UNDP’s strong digital footprint in Moldova, the Moldova country office aims to surface, implement, support and develop Digital Public Goods/open-source solutions for development response that meet the emerging needs of local actors including governments and civil society organisations. In coordination with the ongoing humanitarian response, UNDP Moldova will engage the local ecosystem to support the development of new solutions where they are lacking and ensure that they are built for reusability and leveraging existing opensource solutions. UNDP Moldova will closely work and coordinate the initiative with the Government of the Republic of Moldova, in particular with the Office of the Deputy Prime Minister for digitalization (with which UNDP signed a Memorandum of Understanding that is focused on several critical areas of engagement, including the use of open-source technologies for local solutions). UNDP will also focus on the solutions that have high to very high potential to produce sustainable results in medium and long-term and create conditions for faster recovery and higher resilience. The Moldova country office is uniquely placed to bring together private and public sector as well as civil society to create and implement powerful open source tools to respond to the crisis: Already, IT talent from Ukraine and Belarus is moving to Moldova and private sector companies are proposing solutions. UNDP Moldova aims to work with partners on a regional initiative to systematically bring together these additional resources with government and local community demands, leveraging UNDP Moldova’s data collaborative with the European Space Agency and other partners in both public and private sectors. UNDP Moldova has established and trusted partnerships with the very vibrant ICT community that will be leveraged for this project. There are already a range of platforms of cooperation, including for example the Tekwill, Moldova IT Park. The local ICT sector is well connected to the sectors in neighboring countries. The project aims to both accelerate the implementation of existing Digital Public Goods and the creation of new open-source solutions that can be reused, scaled, and adapted across countries in the region that are affected directly or indirectly by the crisis. One of the activities under the Project is launching the series of Innovation Challenges to involve and encourage as much as possible the Moldovan IT vibrant private sector to generate innovative solutions in digitalization of administrative and social services in education and health (as two pre-identified); as well as digital solutions that support economic growth in agribusiness and ICT (as two pre-identified sectors). Other sectors may also be considered. Under both streams solutions must ensure transfer of solutions, adaptation and scale-up.

The project aims to surface, connect, build, and implement Digital Public Goods/opensource solutions in a range of priority areas including but not limited to:

- Data for crisis response and socioeconomic recovery: Solutions aimed at leveraging and/or making datasets available to the public, including related to high level security, mobility/movement data, electricity consumption data, etc. UNDP Moldova will leverage its existing data collaborative with key private and public sector partners, including Orange and European Space Agency for these efforts;
• Information pollution: Solutions aimed at tackling information pollution online, including fact-checking tools, misinformation/disinformation tracking tools and content moderation and analysis solutions;
• Essential service delivery in key areas including in health (such as psychosociological counselling), education, legal counselling, and labor market integration; solutions to be integrated into the UNDP’s and other agencies’ programmatic efforts at local and regional levels;
• Human mobility and support to the Government at central and local levels in making sense of the mobility of people and goods.

The insights and results from this work will directly contribute to the Digital Public Goods Alliance Communities of Practice (CoP) in data and information pollution. They can also provide relevant insights into best practices for mobilising local open-source solutions for crisis response. UNDP Moldova will work in close collaboration with local civil society organisations and actors, including #TechforUkraine.

The current competition is being administered by UNDP Moldova and this innovation challenge procurement process will be done according to UNDP POPP, including the award agreement and evaluation team.

UNDP Moldova partners in these challenge with Monday.com and the Moldova Electronic Governance Agency (eGov) and other Institutions of the Government of Moldova, as well as other donor institutions.

The roles of each of the partner institutions are shortly described below:

**UNDP:** With **Accelerating Digital Transformation in Public Sector Project**, UNDP Moldova aims to improve access to and quality of public services and business conditions through accelerated digital transformation of government processes and business model(s) and promote innovation, as well as collaborative experimentation within the Government, in the private sector, internally in UNDP Moldova, and in collaboration with external partners.

UNDP Moldova, through this Project, is strategically positioned as an integrator of programmatic solutions with innovative mindset, including bringing forward digital components in supporting accelerated delivery of the SDGs.

**eGov:** The Vision of the eGov Moldova is to ensure a good and efficient governance, responsive to the citizens’ needs, achieved through smart investments in information technology and its extensive use. The eGov Mission is to bring leading technologies into the Government, rethink processes, improve public services and make them work for the benefit of the citizens. EGov is partnering with UNDP to involve the vibrant IT sector of Moldova in the process of Digital Transformation of the country.

**Monday.com:** As an worldwide ICT services provider, Monday.com is committed to help teams and organizations with operational efficiency by tracking projects and workflows, visualizing data, and team collaboration, including automation capabilities and supporting integrations with multiple platforms. Under this initiative, Monday.com is willing to jointly cooperate in catalyzing efforts towards providing socio-economic solutions originated from the ongoing crisis in Ukraine, whereat digital solutions can play a key role in responding to these needs. Monday.com will lead the
mentorship activities to be requested by the selected companies in order to come up with most relevant technical solutions addressing to ongoing crisis needs.
1 Basic concept and characteristics of the Innovation Challenge for SDGs and Digital Transformation in Public and Private Sectors

1.1 Innovation Challenge objectives

Main goal of the Challenges is to provide support to and engage with private sector companies in accelerated achievement of the nationalized SDGs, by using Digital Public Goods for development response in the Ukraine crisis, mainly through direct and matching cash and knowledge support to companies for the testing and up-scaling of innovative products, services, or solutions.

Main objectives and areas of support of the Innovation Challenge for the SDGs are:

A. Engage with private sector for using Digital Public Goods for development response in the Ukraine crisis, for testing and up-scaling of innovative products, services or solutions aligned to SDGs, aiming to support digitization in public and private sectors, and with measurable and positive impact on the inclusion of vulnerable people and overall wellbeing of people. Due to the demographic structure of the refugees fleeing Ukraine, of which a majority are variously vulnerable groups, such inclusion is particularly important in developing adequate Digital Public Goods.

B. The challenge will support solutions underpinned by ICT sector in the following prioritized areas (non-exhaustive list):
   - Improved security of the refugees from Ukraine;
   - Improved access to health, health practices and well-being;
   - Improved access to education and digital literacy;
   - Logistics automation;
   - Digital Certification;
   - Cyber security and fintech;
   - Improved access to and delivery of Public Services (at the local and/or central level);
   - Financial inclusion;
   - Other related to using Digital Public Goods for development response in the Ukraine crisis and related to SDGs.

Pilots could be implemented in partnership with Governmental Agencies, LPAs, schools, hospitals, other)

Solutions for the following industry sectors will not be considered: catering services providing only alcoholic beverages; casinos, gambling and similar activities; construction/purchase of residential and commercial space for housing/sales; gas stations; production and distribution of tobacco products; sales and service of cars.

C. Measure and make visible the impact of such innovative products, services or solutions on specific nationalized SDGs, inclusion of vulnerable people, and on the objective and subjective well-being of the population. Such measurement will be possible through the BCtA and Impact Lab facilities of UNDP Istanbul, to which the beneficiaries will be connected.
1.2 Types of innovation projects supported

The preferred projects applying to challenge are **innovative solutions that are using Digital Public Goods for development response in the Ukraine crisis** aligned to the objectives stated above. Projects should satisfy all of the below criteria:

- A developed idea of the innovative services/products/solutions ready for prototyping and testing; or a prototype ready for testing and/or scale up. For the prototype solution, the applicant will provide evidence that it is technologically and economically feasible;
- Innovative, including new on the market, or possibly a solution that is significantly improved, having a digital component in it;
- Scalable and replicable, i.e. could be easily used and replicated by the public sector agencies/institutions in delivering better services to people, businesses, or inter-agency services, or, if solution is developed for private sector needs, it is sectorial and could be replicated within a short period of time on same market/country, or exportable (depending on the solution);
- Feasible, i.e. the solution does not require changes in the current legislation and could be anchored within the existing legal framework;
- With measurable impact on Moldova digitalization and SDGs. A preliminary estimate of SDG impact will be done by the applicant, which will further be detailed with support from UNDP BcTA’s and Impact Lab toolkits;
- Additional criteria applicable to collaborative projects;
- In case of collaborative projects, it is required that the CGC involve partners that represent at least 2 different public or economic sectors, academia or other research institutions, public authorities, with the main applicant from ICT sector.

**Examples of possible business and public service challenges** and constraints that applicants could eventually focus on are based on using **Digital Public Goods for development response in the Ukraine crisis**.

The project aims to surface, connect, build, and implement Digital Public Goods/ opensource solutions in a range of priority areas including but not limited to:

- Data for crisis response and socioeconomic recovery: Solutions aimed at leveraging and/or making datasets available to the public, including related to mobility/movement data, electricity consumption data, etc. UNDP Moldova will leverage its existing data collaborative with key private and public sector partners, including Orange and European Space Agency for these efforts;
- Information pollution: Solutions aimed at tackling information pollution online, including fact-checking tools, misinformation/disinformation tracking tools and content moderation and analysis solutions;
- Essential service delivery in key areas including in health (such as psychosociological counselling), education, legal counselling and labour market integration; solutions to be integrated into the UNDP’s and other agencies’ programmatic efforts at local and regional levels;
• Human mobility and support to the Government at central and local levels in making sense of the mobility of people and goods.

The insights and results from this work will directly contribute to the Digital Public Goods Alliance Communities of Practice (CoP) in data and information pollution. They can also provide relevant insights into best practices for mobilising local open-source solutions for crisis response. UNDP Moldova will work in close collaboration with local civil society organisations and actors, including #TechforUkraine.

More examples of potential solutions are provided in the link. The supported projects are in phase of innovation development, or prototypes have been already tested, and are based on a comprehensive business plan, addressing the specific identified challenges, and demonstrating high potential in terms of access to market, company competitiveness and growth, improved accessibility and management or public services. The concept should represent considerable novelty to the national or global market: e.g. innovative products, processes, services or market application.

In innovation development projects, the examples of financing activities may include: prototyping, design, testing, upscaling, performance verification, demonstration, development of pilot lines, validation for market replication, IP protection and other activities aimed at bringing innovation idea (product, process, service, etc.) to investment readiness and market introduction. The financed activities would include also partly the costs of necessary market testing and piloting, tailored training, restructuring of the organization or production, absorbing new technologies, access to business networks/clusters, adoption of new marketing tools, and helping access new markets and all similar activities necessary to finish pre-commercial phase of the innovation development and/or upscale of the tested prototypes. For public services component- a clear proof of partnership should be presented.

1.3 Amount of awards

A single award will cover maximum 40,000 USD (co-funded by the UNDP) or maximum fifty percent (50%) of the total project amount (what is lower) for innovation pilots, be it new or improved products, services, processes or business solutions. In case of the CGC, such contribution normally will be equally divided between the companies in CGC or depending on the specific requirements of the specific collaborative project. Same is valid for the case of the matching contribution, which shall be decided internally in the CGC and distribution presented to UNDP Moldova.

Co-financing of at least fifty percent (50%) of the total project budget is to be secured by the applicant from their own investments or from other sources, in financial contribution or in kind. Acceptable co-financing includes companies’ own investment, private investors, loan financing, public financing or co-financing, other financial contribution. The total amount of Awards cannot be increased during the course of the Project. Any re-allocation during project implementation shall be agreed in advance with the management of the Innovation Challenge.
The procurement process will be done according to UNDP Programme and Operations Policies and Procedures (POPP), including the award agreement and evaluation team.

1.4 Duration of the project

The project and the project budget must be designed so to be completed within 6 months (not exceeding December 31, 2022). However, the project may be extended for maximum of additional six (6) months under exceptional circumstances, upon prior notification and approval from UNDP Moldova.

1.5 Eligible applicants

Eligible applicants to the Innovation Challenge Scheme are:

- **The main Applicants** are legal private sector entities from ICT sector of Moldova and Ukraine (or mixed groups). Moldovan companies shall be registered (or be in process to be registered) under the applicable Moldovan Entrepreneurship Law:
  - Moldovan privately owned IT companies, registered and operating in Moldova;
  - Start-ups and groups of initiative in the process to register the IT company under Moldovan legislation (registration shall take place before contract signature).

  Ukrainian companies shall be registered according to applicable Ukrainian Entrepreneurship Laws:
  - Ukrainian privately owned IT companies, registered and operating in Ukraine;
  - Start-ups and groups of initiative in the process to register the IT company under Ukraine legislation (registration shall take place before contract signature).

- **In case the application is submitted by CGC:**
  - The main applicant is a Moldovan or Ukrainian privately owned IT company;
  - Co-applicants from private sector are operating in any industry sector in both countries except: catering services providing only alcoholic beverages; casinos, gambling and similar activities; construction/purchase of residential and commercial space for housing/sales; gas stations; production and distribution of tobacco products; sales and service of cars;
  - Co-applicants can also be an Association, Governmental Agency, LPA, school, hospital, University or other research institution, other institutions representing public, private and/or associative sectors from Moldova or Ukraine;
  - The entities forming the CGC have no shared economic and financial interest; one company/institution is not owning shares or other interest in the other company/institution in the same CGC and this applies for the entire CGC independently from the number of participating companies/institutions;
• The Applicants (and co-applicants) must not possess outstanding debts in terms of public contributions;
• The Applicants (and co-applicants) must not have accumulated losses above the equity value;
• The Applicants and individual owners have not been convicted for crimes connected to business operations.

Priority will be given to proposals that are based on using Digital Public Goods for development response in the Ukraine crisis.

2 Application process

2.1 Description of application process

The MICS Awarding will be conducted through an open selection procedure in two stages (Pre-application and Full Application).

The selection process is designed according to the principles of merit, transparency, equality and rational use of funds. Innovation projects are submitted exclusively through UNDP Moldova electronically to the address indicated below. The innovation projects are selected against the clear eligibility and selection criteria, of which latter are assessed by the experienced and independent evaluators. The applications which fulfill all eligibility criteria and which satisfy the selection criteria at most will be proposed for financing. They are in final phase assessed and ranked by the Investment Committee and, subject to the availability of funds. The best ranked applications that can fulfill legal requirements are offered to sign Award Agreement.

2.2 Instructions to the application process

Interested companies/start-ups/groups of initiative apply through the open call published on https://sc.undp.md/viewtenders2/ and/or on the UNDP, Monday.com and eGov websites.

The application should contain a Concept Notes and a full Projects Plan.

While preparing the Application, the following rules apply:

A. Only one Application per applicant is allowed;
B. Re-submission of modified and improved Applications submitted after the closing date is not allowed;
C. Only Applications submitted to the dorin.rojnevschi@undp.org e-mail address will be considered;
D. Deadlines of both application stages are to be strictly respected;
E. In the evaluation process, only complete Applications will be accepted. Documents required by hard copies must not be sent by mail to UNDP before so requested, if the Award is offered to the Applicant.
2.3 Project Application Documentation

2.3.1 Concept Note

The applicants should submit a filled out pre-defined form of Concept Note (attached, Annex A), where the concept of innovation project is shortly and concisely described (including the idea and the potential market), the company and the development team shortly presented.

2.3.2 Project plan with Project budget

The Applicants should also, as part of the Full Application, submit the Project Plan, Financial plan and the Curriculum Vitae of the key persons involved. The Full Application have to be submitted on pre-defined forms (attached, Annex B) filled out completely and sent via email to dorin.rojnevbschi@undp.org until the stated deadline. A template for the Financial Plan is provided as Annex C, which can be optionally used by the applicants. Companies should also present a standard cash-flow and investment plan with ROI calculations. There is no standard form for the CVs.

The Project Plan (full project proposal) should contain the detailed elaboration of the innovative concept, analysis of the existing and future market, prediction of the commercialization potential, revenue models ensuring sustainability. Envisaged development activities can include: staff engagement, necessary material means and needed advisory services and trainings. The Projects should be tackling cross-cutting constraints for innovation and proposing specific (collaborative) technical and conceptual innovative solutions to such constraint. Under the public services stream, these solutions must show their potential to ultimately become a public good that would further inform policy makers about the most feasible solutions to overcome such barriers. Under the economic growth stream, the solutions must show their potential to reach a critical mass of users.

For the collaborative innovative solution, this is the one that is jointly developed, proposed and ready to be co-financed in the implementation phase by the CGC.

Also, the detailed Project budget has to be submitted predicting all project expenses during implementation phase of 6 months, including both the award contribution as well as the Applicant’s matching funds.

The Project Plan in Full Application should encompass following:

- Clear evidence of so far achieved initial results or insights to be considered as collaborative innovative foundation for the Project;
- Justification of the commercial potential of the proposed innovation, as detailed as possible;
- Justification that there is an existing market for the proposed collaborative innovation and that the strategy for the commercial exploitation of the innovation is compliant with the actual market sector;
- Realistic plan of the Project activities so they can be implemented considering technological, financial, time and market constraints, possibilities and opportunities;
- Assurance that the project includes all activities necessary for the innovation to be ready for commercial activities on potential markets or to be scaled up;
• Evidence that the team has relevant experience in the industry sector and necessary knowledge and skills to implement the planned activities in the development of the innovative product/process/service and successful preparation for commercialization or scale-up;

• Assessment of internal gaps in terms of resources, skills and knowledge needed to ensure full implementation of the project and its sustainability.

Together with the Project Plan, Financial plan with detailed and reasonable project expenses that are intended exclusively for project purposes, and CV's of the members of the team should be submitted via the online platform.

2.3.3 Corporate and other documentation

The Application supporting corporate documentation, are submitted individually and are offered the Award Agreement. In case the necessary documentation is not submitted within the required deadline, the Applicant will not be financed.

The documentation includes obligatory and non-obligatory items:

• Business Registration Certificate issued by Authority of Moldova and/or Ukraine (start-ups and groups of initiative will provide this before contract signature);

• Certificate of proof of lack of tax debt issued by Authority (in case of start-ups or groups of initiative, this is relevant for individual team members);

• Proof of matching funds: company financial contribution (e.g. financial revenue acquired through current business operations), investment contract (e.g. capital contributions), credit agreements with the banks or financial institutions, financial inflows expected from the ongoing and future business operations and similar sources;

• For the CGC, a commitment letter stating co-applicants support and involvement during the whole project;

• Bank statement from the dedicated bank account number;

• All agreements with third parties directly related to the project, e.g. subcontracts (prior to signing of the Award Agreement, if applicable).

2.4 Eligible and non-eligible expenses

On a competitive basis, the award should be used by the Applicant for innovation development activities in following group of expenses, independently of the weight:

• Gross salaries of development staff directly involved in the project, on the proportion of time allocated to the project;

• Small equipment and supplies with a proven intent to support the prototype/implementation process or other (no day to day equipment usage will be accepted);

• Technology, design, business, development and other consultancy services like quality certifications, copyright and patent application and fees strictly linked to the innovation and its deployment;
• Costs of tailored training of the staff specifically required under the projects;
• Training of end beneficiaries;
• Other costs incl. travelling connected to implementation of innovation project (subject to Covid-19 imposed restrictions);
• For the solution designed for public sector, costs can also cover expenses linked to deploying the prototype within the partner institution, and within the admissible categories, except salaries and fees for the employees of the public institution;
• Visibility materials, agreed in advance with UNDP, only in case they refer to raising public awareness about the improved access to public services.

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 Budget 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 the Innovation Challenge include but are not limited to:

• 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;
• Purchase or rent of land or buildings, including any renovation;
• Cash payments from the project account.

2.5 IP and know-how requirements

If applicable to the Project, the applicant is required to show the proof of intellectual property rights and know-how rights, including but not limited to licensing agreements, in-kind contribution agreements, options, or commitments, if any, and other agreements confirming that the Applicant owns or has rights to the technology being developed.

Any new intellectual property and know-how, which may be created in course of the implementation of the project, remain with UNDP, who will issue appropriate licenses to the developer of the idea. Further, the Applicant will need to secure these IP- and know-how- rights in agreements concluded with any third party.
3 Project evaluation and selection decision

3.1 Evaluation and selection procedure principles

During the selection of the innovation projects, the following principles should be respected to the maximum possible extent when assessing innovation projects:

- Open and transparent competitive process, based on UNDP POPP, including the award agreement and evaluation team;

- Promotion of key human rights. In particular, the right for work and the right to have access to the developments in science and technology will be promoted;

- Promotion of equal opportunities, inclusion of vulnerable people, and access of women and men and minorities to get relevant knowledge and experience in promotion of innovations applied to real business environments. All Applicants and Project proposals are equally and justly evaluated, and objectively and independently assessed;

- Promotion of environmental sustainability aspects in all daily undertakings and specific activities, so that to showcase that innovations benefit to a more sustainable environment.

- Excellence – 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 financed projects must be measurable at least at the capacity adequate for evaluation;

- 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 practice in business - The ethical and other good business practice in the sense of the UNDP corporate values and SDC Code of Conduct will be supported;

- Scalability.

3.2 Management and the Investment Committee

The Investment Committee in charge for selecting and monitoring the projects. It will consist of independent international experts from UNDP (potentially eGov of Moldova and Government of Ukraine or delegated representatives) and Monday.com.

3.3 Evaluation and selection procedure

3.3.1 Phase I: The Eligibility Review

After the deadline for submission, Concept Notes are reviewed against the Innovation Challenge objectives stated in the Section 1.1. above and the eligibility criteria and completeness, stated in the Section 1.5. above.
3.3.2 Phase II: Technological and business evaluation of innovation projects

Resulting from the eligibility review of the concept notes, the selected companies will be invited to submit a Full application. The detailed evaluation of the Applicants’ business and technology innovation projects will be performed via detailed insight into Full Application documentation, following the evaluation grid in Annex D.

The pre-selected Applicants will be given a separate deadline to submit Full Applications. The evaluation is carried out by the Investment Committee.

General evaluation criteria for the Applications have to consider the fact that the Challenge is for innovative projects in pre-commercial stage in development of innovation from idea to market, or in scale-up stage. Selection criteria are:

A. Assessment of degree of innovation (level of novelty: new to the global industry or only to local market, or simple adoption of new technology) with consideration of technological risks;
B. Assessment of market potential of innovation and impact on SDGs (local market, global market, competitiveness);
C. Assessment of project quality, including planned activities and milestones;
D. Assessment of experience and motivation of management and development team.

3.3.3 Phase III: Financial evaluation of innovation projects

The financial criteria of the Application are assessed by the Investment Committee.

In general, following items should be assessed:

A. Project costs and budget – their feasibility for the implementation of project and how realistic is their breakdown;
B. Project cost explanation, their coherency with the list of eligible and ineligible costs described here;
C. Availability of the matching funds for development – the Applicants must prove a sufficient level of financial capability for the Project implementation, including total financial capacity of the companies.

3.3.4 Phase IV: Ranking and threshold

Based on the results of both technological and financial evaluation of all received applications, the ranking of the applications is created according to the number of points received, and threshold is defined by taking into account the available funds and amount the applications. By the end of this Phase, the shortlisted Applicants who are ranked above the threshold are invited to oral presentation before the Investment Committee, as the final phase of the evaluation.

3.3.5 Phase V: Presentations of Applicants to the Investment Committee

As a formal next step in the application process, the selected Applicants with the ranking over the threshold will be invited to present their innovation projects before the Investment Committee. Materials submitted in the Application will be discussed during the presentation, including but not
limited to the content of the Project. Both applicant and evaluators should be present on the Committee meetings, in order to answer questions and justify their decisions. Following the presentation, the Investment Committee will complete the evaluation grid for each applicant for innovativeness, market potential and project quality criteria, as a third, decision-taking mark, which will be used for formation of the final ranking list.

3.3.6 Awarding decision

The final decision for awarding is made according to the final ranking list. Only the Projects which received the total number of points above the threshold defined by the Investment Committee can be proposed for awarding.

The awarding decision of the Applicants with evaluation score over the threshold is guided by the principles of impartiality, transparency, rational use of funds.

Following the decision to award the prizes, the Applicants will be offered to sign the Award Agreement.

3.4 Award Agreement

After finished evaluation the Applicants are offered the Award Agreement. The Agreements financed by UNDP Moldova shall be signed in USD, on the template of UNDP.

The Award Agreement contains the final Project Budget that is not necessarily the same as the one the Applicant submitted, resulting from negotiations with Applicant.

Before signing of the Award Agreement, the Applicant sends by mail original corporate documentation as stipulated in Section 3.3.3. This documentation, together with Project Plan and the final Project Budget, is the constituent part of the Award Agreement.

Awarding is done under the general provisions of the Award Agreement, and the payment is done based on UNDP rules. In the Award Agreement the provisions of the Applicant’s matching funds are also regulated. The actual disbursement of funds starts after the signing of the Agreement. Costs incurred before the date of signing of the Agreement will not be included in the cost of the project.

3.5 Evaluators’ selection

3.5.1 Avoiding the conflict of interest:

Evaluators that have been or are involved in the preparation of specific project applications that will apply to the Challenge or are in business, private or any other relation with the Applicant or Project partner, cannot be taken into consideration for evaluation of the same project applications. At the beginning of the evaluation procedure experts will sign a Declaration of Confidentiality and Impartiality, whereby they confirm that there is no conflict of interest regarding the received applications.
4 Implementation and monitoring of the Projects

4.1 Implementation of the Projects

The Beneficiaries of the awards have to carry out the Projects carefully and efficiently in accordance with the Project Plan and Project Budget, respecting provisions of the Award Agreement. The CGC shall use the financial award in accordance with the Project Budget and provisions of Award Agreement and shall prepare financial statements in accordance with consistently applied accounting standards.

The beneficiaries are required to implement the projects in accordance with the Project Proposal. Any significant deviation from the Project Proposal (e.g. changes of timetables as defined in the Project Proposal or proposed milestones are not achieved) requires prior written consent of the UNDP Moldova.

4.2 Disbursement

The Beneficiary will open a dedicated project bank account where funds are transferred from UNDP. The disbursement amount will cover up to fifty percent (50%) of the Project Budget. However, prior to the disbursement, the Beneficiary must submit a bank account statement showing that the Beneficiary has deposited in the dedicated account a minimum of thirty percent (30%) of the total amount of funds requested for the particular installment (quarterly).

The award will be disbursed in 2 or more installments, based on the planned work plan, and agreed with each beneficiary. The upfront installment will not exceed 30% of the total amount of the award. At least 10% of the award will be disbursed upon acceptance of the final project report, which will also include the financial report.

Beneficiary is allowed up to ten percent (10%) expenses variations from the total planned 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 Moldova approval.

In the case that the Beneficiary fails to perform any of its obligations under the Award Agreement, the UNDP Moldova 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 Moldova to the Beneficiary be repaid to UNDP Moldova.

4.3 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 progress can be measured towards the objectives. Baseline information from the applicant(s) will be collected through the impact evaluation questionnaire accompanying Full Application in order to generate information for measuring the results.
4.4 Monitoring procedures

Progress- and financial- reports should be accompanied with copies of invoices and bank account statement relevant for previous period. Bank account statements should show all relevant transactions related to submitted invoices. Any changes to the project (e.g. regarding project implementation, timelines, project budget, deliverables, project staff, etc.) should be communicated to the MICS Management Team in writing as they require the written consent.

5 Impact Evaluation

5.1 Evaluation of pilots

The impact of the innovative solutions will be jointly measured by UNDP and the ‘anchor’ company. In partnering with UNDP, the company will get free-of-charge access to the resources of the UNDP’s Impact Lab of the Business Call to Action initiative. The impact is measured and reported by the company directly to UNDP Moldova and larger audiences. UNDP offers technical assistance and knowledge support. In parallel, UNDP could support the ‘anchor’ company in gathering and analyzing ‘thick’ data on perceptions of end-clients of the new solution and their satisfaction with the results it brings. Such data collection will be supported by the UNDP’s Center of Excellence in Complexity of the UNDP’s Istanbul Regional Hub and/or UNDP Global Center in Singapore.

6 Annex A: Concept Note

Attached as a separate document.

7 Annex B: Full Application

Attached as a separate document.

8 Annex C: Project Budget

Attached as a separate document.

9 Annex D: Full Proposal Evaluation Grid

Attached as a separate document.