



ANNEX 1 - Guidelines

Moldova Sandbox Innovation Challenge

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1. GENERAL INFORMATION

The Moldova Sandbox Innovation Challenge will be launched in September 2025 through by UNDP Moldova targeting innovators based in Republic of Moldova or demonstrate a clear intention to deploy their solution or project here. The Moldova Sandbox Innovation Challenge is supported and funded by the Ministry of Foreign Affairs of Denmark.

We're looking for innovative that align with at least one of the following areas of work:

- **Collective Self-Consumption and Energy Communities** - solutions to promote shared production and local use of electric energy, regulatory frameworks, grid integration, and others.
- **Electromobility** – infrastructure development for electric vehicles, smart charging solutions, and vehicle-to-grid integration to optimize energy consumption and support the transition to clean transportation, and others.
- **Flexibility and balancing services** – innovations that improve grid stability through demand response mechanism, battery storage solutions, real-time energy trading, and others.
- **Integration of renewable energy sources, and biogas & biomethane production** – converting agricultural waste into biogas, expansion of renewable energy capacities in solar, wind, and others.
- **Smart Grids** - infrastructure development, modernization, Integration of renewables, balancing solutions, and others.

Selected winners will have also to be approved by the Commission for innovative testing spaces in the field of energy regulation and by the Government of Moldova for being implemented within the Sandbox mechanism. If the selected project fails to be approved by the Government, the contract will be awarded to the next placed projects within evaluation.

1. Objective

Moldova Sandbox Innovation Challenge is designed to identify, deploy, and scale innovative energy efficiency and renewable related projects with a potential to be implemented within Moldova Energy Sandbox environment.

2. Innovation Challenge Thematic Focus

Moldova Sandbox Innovation Challenge will focus on the following key domains:

- **Collective Self-Consumption and Energy Communities** - solutions to promote shared production and local use of electric energy, regulatory frameworks, grid integration, and others.
- **Electromobility** – infrastructure development for electric vehicles, smart charging solutions, and vehicle-to-grid integration to optimize energy consumption and support the transition to clean transportation, and others.
- **Flexibility and balancing services** – innovations that improve grid stability through demand response mechanism, battery storage solutions, real-time energy trading, and others.
- **Integration of renewable energy sources, and biogas & biomethane production** – converting agricultural waste into biogas, expansion of renewable energy capacities in solar, wind, and others.
- **Smart Grids** - infrastructure development, modernization, Integration of renewables, balancing solutions, and others.

Moldova Sandbox Innovation Challenge will support startups, private or state-owned enterprises, non-profits, and/or academic institutions.

3. Sustainable Development Goals

The Moldova Sandbox Innovation Challenge will have particular focus on delivering progress around the following SDGs:

- **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **SDG 11:** Make cities and human settlements inclusive, safe, resilient, and sustainable
- **SDG 13:** Take urgent action to combat climate change and its impacts

For more information about the SDGs, please visit: <https://sdgs.un.org/goals>

2. The Urban Future Finance Innovation Challenge

1. Eligible Applicants

At the stage of applying, and regardless of organization type, the applicants must present an innovation addressing the call's defined development challenge. The innovation should have a potential for financial sustainability and scaling. Furthermore, the applicants should engage users, partners, and stakeholder in the development of their innovation, ensuring viability in its specific context.

Type of applicant: Registered startups, private or state-owned enterprises, non-profits, and/or academic institutions, individuals and associations.

Stage: Applicants with a prototype, Minimum Viable Product (MVP)* or further developed solutions are encouraged to apply.

Location registration: Applicants must be based in Republic of Moldova or demonstrate a clear intention to deploy their solution or project here. Foreign legal entities can apply if they establish a branch in Moldova for the entire duration of the sandbox project.

Language: English

2. Innovation Prizes

Moldova Sandbox Innovation Challenge will provide a maximum of 4 (four) prizes up to US \$ 40,000 each to develop, pilot, deploy and scale innovative energy solutions.

The monetary value of a single prize is up to US\$ 40,000. Up to 4 (four) organizations will receive prizes, amounting to a total of maximum US\$ 160,000. The prizes are to be distributed by UNDP in the following format, based on Project Proposal evaluated according to the above evaluation criteria. The contract will be signed only after the selected project will be approved by the Commission for innovative testing spaces in the field of energy regulation and by the Government of Moldova for being implemented within the Sandbox mechanism. If the selected project fails to be approved by the Government, the contract will be awarded to the next placed technically eligible projects within evaluation.

Prizes are intended to enable scaling of the innovation. Typical items that can be covered by the prize might include, but are not limited to:

- Salaries of project staff
- Technology, design, business development and other consultancy services

- Small equipment and supplies
- Training and workshop expenses
- Costs including travel connected to the implementation and scaling of the innovation.

The Moldova Sandbox Innovation Challenge do not take any equity in the organizations it supports.

3. APPLICATION PROCESS

1. Application form

Organizations must submit their applications through the UNDP Quantum Platform which is linked from the UNDP Website, and UNDP Procurement Notices.

The applications should be submitted by 24 October 2025, Moldova Local Time (GMT +3), 16:30.

Note: The applicant should list in the application form any type of engagement (Low Value Grants, Responsible Party Agreement, works/service contracts or others) with UNDP Moldova during the 2023-2027 period (completed and active ones), including details on the received budget.

This could be as a minimum qualification criterion, in case the threshold for receipt of funds is archived under one or another modality.

2. General rules

- I. An organization may only submit one application, presenting a single innovation. Only one innovation per organization can be selected as the basis for the organization's selection to receive a monetary prize.
- II. Re-submission of modified applications is not allowed.
- III. The deadline for application is to be strictly respected.
- IV. In the evaluation process, only complete applications will be considered. A complete application includes all required sections/annexes filled, supporting documents attached, financial budget form, and submission made in English via the UNDP Quantum Platform before the deadline.
- V. Currency of the proposal: USD (US Dollars), VAT and other applicable indirect taxes exclusive. UNDP will provide VAT/Customs exemption letters if applicable. In case of contract award to a local company, payments will be made in Moldovan Leu based on UN Operational Rate of Exchange valid on the date of money transfer.

- VI. Answers in the submission form and any documents attached must be in the English language.
- VII. 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 applicant without any deviation or reservation.

4. SELECTION PROCESS

1. Screening

After the submission deadline, all applications are reviewed by the Project Team - consisting of members from UNDP - against the eligibility criteria, known as the *screening* stage. Eligible applicants proceed to the following stage. Non-eligible applicants receive a regret notice by email. For these applicants, the selection process is finished. They also do not have the right to appeal.

2. Awardee selection

All applications that pass the screening stage are evaluated by an Evaluation Board. Longlisted applications are evaluated according to the following criteria:

1. **Innovative scale of the proposed project (20%):** potential to make an important contribution to the development of the field of energy, accordingly, production, transport, distribution, storage of energy from renewable sources, supply and consumption of energy, but without limiting to the use of renewable energy sources, its storage or to advanced alternative solutions for supply, distribution or consumption of electricity, thermal energy and natural gas.
2. **Justification for the request for approval of exemptions from legislative or regulatory provisions (20%)** that prevent or hinder substantially the implementation of the innovative testing project. Exemptions from the regulatory framework requested for the implementation of the innovative testing project do not contravene the international obligations assumed by the Republic of Moldova.
3. **Impact Potential (20%):** Anticipated ability to contribute to the improvement of regulatory rules and process of learning in the regulatory field. Anticipated social, environmental, and economic benefits; measurable outcomes and key performance indicators; alignment with the challenge's objectives.
4. **Feasibility and Scalability (20%):** Clarity of objectives and implementation plan; resource availability and realistic timelines; technological and operational feasibility. Potential for co-financing. Potential for expansion

and growth beyond the current scope; ability to adapt to changing market conditions; strategies for scaling without compromising quality or impact.

5. **Management (20%):** Competence and experience of the management and experts team; clear roles and responsibilities; demonstrated capacity for effective project execution.

Each criterion 1-5 is weighted according to their relevance. An email is sent directly to all selected participants. Announcements of winners is also published on the UNDP Website after the selection is completed.

Non-selected applicants receive a regret notice by email from UNDP. For these applicants, the selection process is finished. They also do not have the right to appeal.

Note: The applicant should list in the application form any type of engagement (Low Value Grants, Responsible Party Agreement, works/service contracts or others) with UNDP Moldova during the 2023-2027 period (completed and active ones), including details on the received budget.

This could be as a minimum qualification criterion, in case the threshold for receipt of funds is archived under one or another modality.

3. Awarding of grants

All eligible applications that pass minimum qualification criteria will be evaluated by an Evaluation Panel, consisting of four representatives of UNDP. Evaluation and decision of awards is based on the same criteria set above.

Following the award decision, the selected organization will be offered to sign the Award Agreement (see Contract Template in annex). The Award Agreement contains the Project Proposal and Project Budget, which should be resubmitted by the organization in case of any adjustments from the initial applications.

Prior to contract signature, UNDP and the awarded organization will agree on specific deliverables and timelines for implementation of the innovation. Before signing the Award Agreement, the Applicant must submit all required documentation to UNDP.

The contract will be signed only after the selected projects will be approved by the Commission for innovative testing spaces in the field of energy regulation and by the Government of Moldova for being implemented within the Sandbox mechanism. If the

selected project fails to be approved by the Government, the contract will be awarded to the next placed projects within evaluation.

Awarding is done under the general provisions of the Award Agreement, and the payment is done based on UNDP rules.

5. IMPLEMENTATION AND MONITORING OF THE INNOVATIONS

1. Implementation and duration

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

The overall implementation of the innovation will be managed through the 'Partnership Project'. Any significant deviation from the Project Plan (e.g. changes of agreed deliverables or timelines) requires prior written consent by UNDP.

The maximum contract length for the project is 18 months.

2. Disbursements

Disbursement of funds will be made upon verification of deliverables specified in the Innovation challenge Agreement section 3.4. signed by UNDP and the Awardee.

The Awardee is allowed up to ten percent (10%) expenses variations from the total Project Budget within any of the 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's approval.

In the event 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 payments, as per the terms of the agreement.

3. Monitoring, evaluation, and learning

The purpose of the monitoring is: i) to assess the progress of Project implementation in terms of activities envisaged and the achievement of Project goals, 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.

The Awardee must deliver a final report, including key information required for tracking progress against the 'Partnership Project' targets and for uses of impact evaluation, learnings and knowledge management.

The UNDP Moldova should be informed regularly (at least quarterly) about the progress of the Partnership Project and may, if possible, provide expertise to support the on-site monitoring of the Project implementation.

Information collected and analyzed will be used to measure the success of both the 'Partnership Project' and aggregated for the Moldova Sandbox Innovation Challenge. Success will be measured against the set 'Partnership Project' indicators. Learnings, impact measured, and actionable intelligence around the defined development challenge will be documented, analyzed, and disseminated widely.