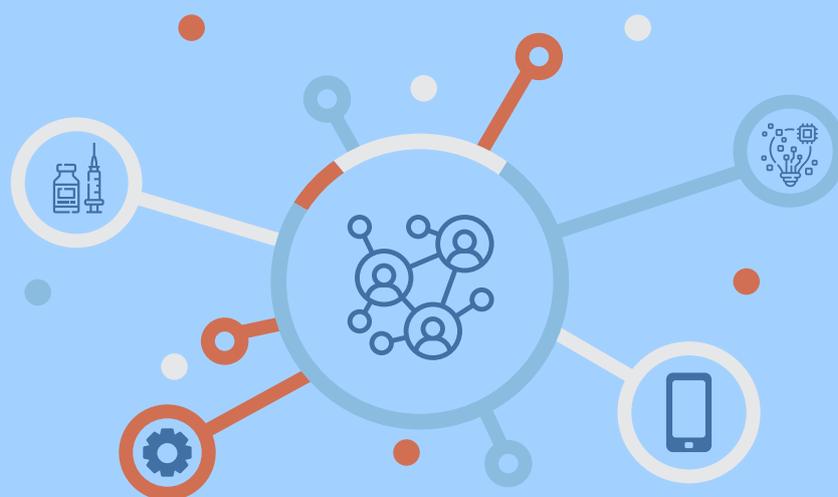




Serbia's Official Development Assistance (ODA) Challenge Call for Proposals

**Implementation of innovative solutions, in response
to COVID-19 crisis in the Republic of North Macedonia and
the Republic of Albania**



Serbia's Official Development Assistance (ODA) Challenge Call for Proposals

Implementation of innovative solutions, in response to COVID-19 crisis in the Republic of North Macedonia and the Republic of Albania

Serbia's Official Development Assistance (ODA) Challenge Call (*hereafter: The Challenge Call*) aims to support the transfer of Serbian know-how and implementation of innovative solutions in **the Republic of North Macedonia** and **the Republic of Albania**, as partnering countries under the Mini-Schengen regional cooperation initiative, in response to the COVID-19 pandemic crisis. The amount of funding available for this Challenge Call is USD 200,000.

Serbia's ODA Challenge Call is being launched under the '*Development Service Agreement – SDG Acceleration Framework*', funded through Government financing and implemented by the UNDP Serbia Country Office.

Background information

The COVID-19 pandemic will have a wide and far-reaching impact on health and economic wellbeing. Some of the challenges will include disruption in supply chains, affecting access to essential goods, including food and medical supplies, reduced demand for key services, which will impact operations of SMEs, especially in the fields of transport, tourism and manufacturing, possibly resulting in a general economic meltdown. The COVID-19 also threatens to reverse the gains and potential progress made to achieve Sustainable Development Goals (SDGs)¹, with more people expected to fall back into the poverty bracket, eroding gains in education and health, and perpetuate inequalities among people and societies.

Taken together, these challenges issue dire warnings and call for urgent action to step up the progress towards the achievement of SDGs, with the overall message that conducting "business as usual" will not be enough.

With the future being shaped by the COVID-19 pandemic and humanity's responses to it, critical and proactive solutions, rather than reactive initiatives, are required more than ever. A joint response across countries from multiple stakeholders is needed to sustain socio-economic activities and resilience in the region.

In November 2020, a Memorandum of Understanding and Cooperation was signed between the Republic of Serbia, the Republic of North Macedonia, and the Republic of Albania on cooperation in the fight against COVID-19, under the Mini-Schengen regional cooperation initiative.

Considering the unprecedented disruptions seen in the partner countries caused by the COVID-19 outbreak and with the view of bringing new innovative solutions into official development assistance, UNDP Serbia is launching a call for innovative solutions to address the emerging development issues resulting from the global COVID-19 crisis in the Republic of North Macedonia and the Republic of Albania, as partnering countries

¹ <https://sdgs.un.org/goals>

under the Mini-Schengen regional cooperation initiative.

The 2030 Sustainable Development Agenda brought forward the most ambitious and far-reaching approach to development, going beyond the developed/developing countries division and challenging the status quo regarding development financing. During the last 15 years, UNDP has become the partner of choice for new and emerging donors in Europe and CIS, having worked with a wide range of countries, including the Czech Republic, Cyprus, Kazakhstan, Slovakia, Romania, Russia, and Turkey. In that sense, UNDP has helped countries position themselves in the international spheres, building their capacities for effective international communications and official development assistance handling. One of the mechanisms for supporting partner countries in developing and distributing their ODA, which UNDP employs, is challenge calls, partnering with a wide range of stakeholders, including the private sector, to support recipient countries' development efforts. Through the *SDG Acceleration Framework*, such support from UNDP to the Republic of Serbia is envisaged to aid in paving its way in ODA provision.

The Challenge Call targets legal entities (see *Eligible applicants* section) to generate and share solutions to minimize the impact of COVID-19 and promote recovery of livelihoods beyond the crisis. The ODA Challenge Call will promote and expose local innovations, expertise, and knowledge.

Objectives

This call aims to create a compendium of home-grown solutions consistent with partner countries' local context and practices, which will contribute to their response to COVID-19 crisis and reduce the socio-economic impact of the pandemic.

UNDP is soliciting proposals from interested applicants for viable innovative solutions towards partner countries' responses to COVID-19. The Challenge Call will support sharing Serbian expertise, know-how, and commercially viable solutions in **the Republic of North Macedonia** and/or **the Republic of Albania**.

The Challenge Call accepts solutions to the effects of the pandemic in the following issue areas:

- **New digital services** - to address the inequalities and needs in different sectors, innovative digital solutions in the services sector are sought, which are inclusive and sustainable.
- **Low touch economies (Contactless economic activities)** - to stimulate economic growth, solutions are sought that introduce new ways of production/consumption and support contactless economic activities, remote delivery services, and teleworking opportunities.
- **Health and Wellbeing** - to support individuals and communities' health and well-being, innovative solutions are sought that promote the connection of individuals and health, physical and psychosocial well-being, and other holistic ways to improve the well-being of the population, as well as to protect service providers and caregivers from COVID-19 and to minimize the risk of transmission.

The funds awarded through the Challenge Call will co-support Applicants with small-scale non-venture funding to deploy commercially viable solutions that respond to the defined development challenges.

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.

Outcomes

The Challenge Call views innovation in its broadest sense:

- i a new approach, product, idea, or service that has not been tested anywhere; or
- ii is new to the beneficiary country; or
- 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 following types of activities will be considered for funding:

a) Feasibility studies or proofs of concept: to test the proposed solutions and/or to be able to tailor-make them. The Feasibility Study in this context is understood as technical and technological solutions to the identified challenges in partner countries and their valuation and identification of concrete financial instruments for their support from international financial institutions, donors, the public budget of the local governments, or local or international investors.

b) Solutions implementation: in case feasibility of the solutions has been tested, proved feasible, and the partners identified, the Applicants can receive support for the implementation of their ideas. Within implementation, the introduction of new production processes, training of the local workforce, reimbursement of legal and translation services and capacity building of local suppliers, raising awareness about new products or services may be eligible.

Before applying, the Applicants are requested to develop partnerships with local partners from the Republic of North Macedonia and/or the Republic of Albania (depending on the country in which the proposed solution will be implemented), to assure that the solution will be viable in local conditions. The partnership needs to be documented in the form of a Letter of Support or Contract with the local partner.

Award amount and budget

Selected Applicants will receive funding in the amount of up to \$40,000 to implement their solution. Applicants must provide co-funding of at least 20% of the total cost of the Project. The use of in-kind contributions as a source of co-funding is permitted.

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 following the Project objectives. **Only expenditures accrued during the Project following 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 a provision that the Applicant retains ownership of all-new intellectual property and know-how that may be created during the project implementation.

Expenses that will **not** be considered for 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.

Duration of the Project

The Project must be completed until December 2021.

Eligible applicants

- Eligible Applicants include:
 - Private sector entities (commercial companies);
 - Public enterprises;
 - Universities and research institutes.
- All Applicants must be registered in Serbia, according to national legislation.

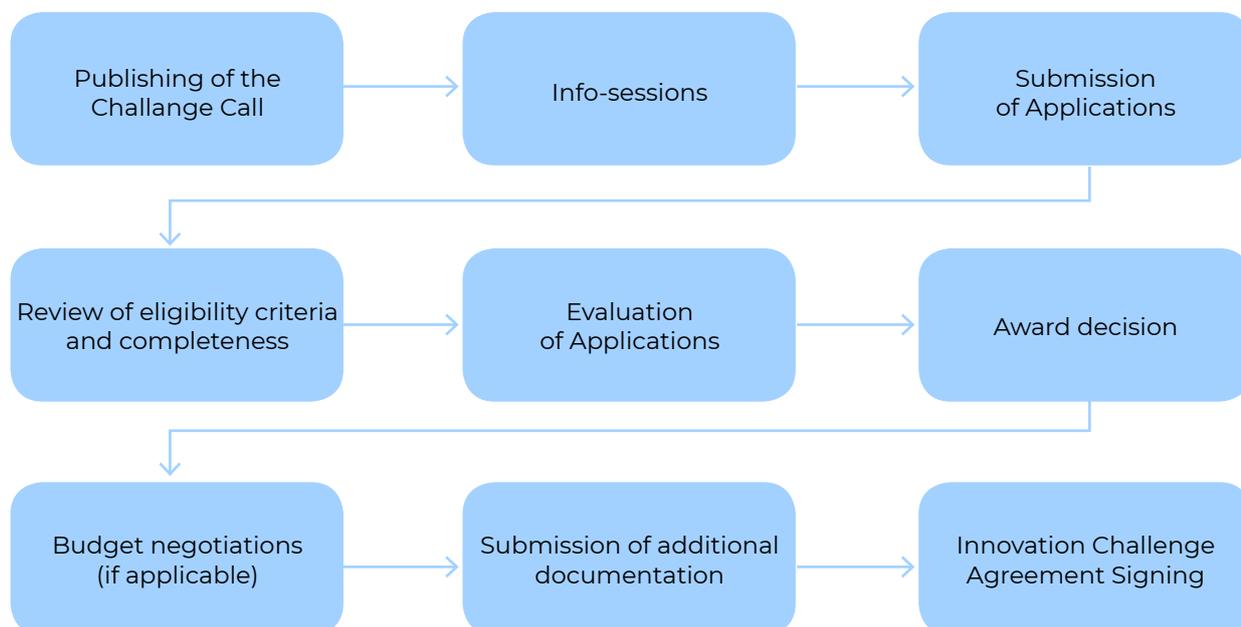
- All Applicants have to establish partnerships with local partners from the Republic of North Macedonia and/or the Republic of Albania (depending on in which country the proposed solution will be implemented) to ensure that the solution will be viable in local conditions. The declaration of the partnership with a local partner from the Republic of North Macedonia and/or the Republic of Albania in the form of the Letter of Support or Contract must be submitted in the Application phase, as an attachment to the Application Form.
- Applicants can apply independently or in Consortia with another legal entity from Serbia. If the Applicant is a group of legal entities that will form or have formed a Consortia, they shall confirm in their Proposal that: (i) they have designated one party to act as the Lead applicant, duly vested with authority to legally bind the members of the Consortia jointly and severally, which shall be evidenced by a duly notarized Agreement among the legal entities, and submitted as an attachment to the Proposal; and (ii) if they are awarded the contract, the contract shall be entered into, by and between UNDP and the designated Lead applicant, who shall act for and on behalf of all the member entities comprising the Consortia. The Lead Applicant will also be the main recipient of the funds vis-à-vis project resources.

Other eligibility criteria

Entities wishing to apply to the Challenge Call need to meet the following eligibility criteria:

- 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 funding request is for a specific, new and innovative project that addresses the set development challenge.
- The Project must be implemented in at least one of the partner countries: the Republic of North Macedonia and/or the Republic of Albania.
- The proposed Project must have a potential for financial, social and environmental sustainability and scale-up.
- All projects must be inclusive in nature and benefit the target beneficiaries and contribute to the achievement of SDGs rather than solely benefitting the participating entity.
- The project must demonstrate that the activities funded by the Challenge Call will be in addition to the entity's existing activities and that the proposed project would not go ahead without the Challenge Call funding. The Challenge Call could also consider projects which, if they would have gone ahead, would do so at a much-reduced pace or scale in case of absence of the Challenge Call funding support.

Application and Selection Process



* Online info session(s) will be organized after the Challenge Call is published and during the application period. The date(s) for the info session(s) will be published on UNDP Serbia website and other communication channels.

Timeline

The selected Applicants shall implement their activities until December 2021.

Application submission

The Applicants must use the prescribed Application and Budget Forms when submitting the proposal.

All Applications must be signed by an authorized person and submitted electronically via e-mail to oda.challenge.rs@undp.org by 28th June, 2021, 23.59 Belgrade time (GMT+1) with the subject line "SUBMISSION OF THE APPLICATION - NAME OF APPLICANT/ CONSORTIA"

Only written inquiries are permitted: oda.challenge.rs@undp.org with the subject line "INQUIRY- NAME OF APPLICANT/CONSORTIA"

The deadline for requesting clarifications and inquiries is 5 working days prior to the

application submission deadline.

The following documents must be submitted:

- Prescribed Application Form
- Prescribed Budget Form
- CVs of core team members
- Proof of minimum of 2 years of official registration with the business registry (APR or another registry according to the type of the Applicant) within the required line of business; extract from the relevant registry to be submitted
- Declaration of partnership with local partner (from the Republic of North Macedonia and/or the Republic of Albania, as appropriate) in form of a Letter of Support or Contract
- Statement on project co-financing.

Optional:

- Any other relevant documents supporting the application such as patent registration, certifications, additional contracts with partners from the Republic of Serbia, etc.

General conditions:

- The deadline for submission of applications is to be strictly respected.
- In the evaluation process, only complete applications will be accepted.
- All submitted documents must be in English language, except for the official registration documents with the APR (or another registry according to the type of the Applicant) in the required line of business; extract from the relevant registry as well as notarized documents in Consortia applications.
- UNDP shall examine the proposal to confirm that the Applicant has accepted all terms and conditions under the UNDP General Terms and Conditions and Special Conditions without any deviation or reservation.

Evaluation and selection of projects for the implementation phase

All eligible entries received during the application phase will be screened by the UNDP Selection Panel for completeness and adherence to criteria as described within the Challenge Objective.

Selection Panel members shall review and evaluate the proposed projects, based on the evaluation criteria as follows:

- A. Innovative solution (introduction of a new idea, approach, product or service to a target group) 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 (10%)

Only applications that score above 70% shall be considered for awarding the Project.

For detailed metrics for evaluation, see Annex 1.

Awarding decision

Based on 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 require. 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 rational use of funds. Following the award decision, the selected Applicants will be offered to sign the Innovation Challenge Agreement (*hereafter: Agreement*). The 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 the Applicant. Before signing the Agreement, UNDP and successful Applicants will agree on specific activities, outputs, project milestone schedules, and indicators. Before signing the Agreement, the Applicant must send all the required documentation. Awarding is done under the Agreement's general provisions, and the payments for funding shall be completed based on UNDP regulations and rules.

Implementation and monitoring of the Projects

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 provisions of the Agreement. The Awardee is required to implement the Project in accordance with the Project Plan. Any significant deviation from the Project Plan (i.e. changes of timetables or proposed milestones are not achieved) requires UNDP's prior written consent. The overall implementation will be managed by UNDP Project Manager.

Monitoring of the Projects

The purpose of the monitoring is: (i) to assess the progress of successful Project implementation in terms of the envisaged activities and Project goal achievements, and (ii) to assure that financial expenditures are in accordance with the Project Budget for the given period. Methods of monitoring may include a review of submitted progress reports and/or on-site monitoring visits. Monitoring will ensure that key information is regularly collected and tracked to allow progress measurement against set objectives. The Awardee has to deliver a short, mid-term, narrative report and a detailed final narrative report, including all key information required for tracking progress against the

targets. Any changes to the Project (e.g., regarding implementation, timelines, budget, deliverables, staff, etc.) must be communicated to the Project Manager in writing as they require written consent.

Disbursement

Disbursement of funds will be made as per milestone deliverables specified in the Project Milestone payment schedule and agreed in the Agreement, upon their successful submission/implementation. UNDP shall disburse payments to the Awardee after (i) acceptance by UNDP of the invoices submitted by the Awardee, and (ii) upon verification by UNDP that the Awardee has achieved the corresponding milestones. The Awardee is allowed up to ten percent (10%) expenses variations from the total Project Budget within 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 approval. In case 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.

Impact Evaluation

All information collected and analyzed will be used to measure the success of the Challenge Call. Success will be measured against the set indicators specified and agreed upon in the Award Agreement. All information, and especially lessons learned, will be documented, analyzed, and shared.

Additional questions

All questions and inquiries (written inquiries only) must be submitted to oda.challenge.rs@undp.org.

Only written inquiries are permitted: oda.challenge.rs@undp.org with the subject line "INQUIRY- NAME OF APPLICANT/CONSORTIA"

The deadline for requesting clarifications and inquiries is 5 working days prior to the application submission deadline.

Clarifications will be published on the UNDP Serbia website in the section where the Challenge Call is published.

Applicants are encouraged to frequently visit the UNDP Serbia website in order to check for potential updates and/or questions and answers.

Any delay in UNDP's response shall not be used as a reason for extension of the deadline for submission unless UNDP determines that such an extension is necessary and communicates a new deadline to the Applicants.

Annex 1 – Evaluation Criteria

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

	Elements of the Evaluation	Metrics for Evaluation	Maximum Weighted Score (in Percentage)
a)	<p>Degree of Innovation with Consideration of Risks</p> <p>Degree of innovation with consideration of risks, which is demonstrated by <i>SDGs relevance, originality</i> – i.e. new product or approach, <i>new to local market/sector, disruptive</i> and <i>transferable</i>.</p>	<p>0 % if not demonstrated, not relevant or questionable; up to a maximum 10 % when the degree of innovation with consideration of risks is strongly and clearly demonstrated for all of the elements</p>	10%
b)	<p>Development Impact and Project Quality, including Intervention Logic</p> <p>Development impact, project quality and intervention logic, which are demonstrated by properly set up metrics for measurement of <i>development impact</i> (incl. sector benefits, number of positively affected beneficiaries, impact on beneficiaries), <i>intervention logic</i> (incl. clear methodology where activities lead to outcomes, measurable indicators for outcomes, response to real life conditions) and <i>project quality</i> (incl. knowledge of local conditions and assessments preceding formulation of the Project).</p>	<p>0 % if not demonstrated, not relevant or questionable; up to a maximum 20 % when the development impact, project quality and intervention logic are strongly demonstrated, relevant and not questionable for all of the elements</p>	20%
c)	<p>Experience of Management and Development Team Experience of the team, which is demonstrated by <i>practical examples/references proving relevant expertise, relevant educational and professional experience</i> and <i>suitable knowledge of English and local language/s</i>.</p>	<p>0 % if not demonstrated, not relevant or questionable; up to a maximum 10 % when the experience of management and development team is objectively demonstrated, there are more than 6 practical examples/references and relevant educational and professional experience, knowledge of English and local languages is demonstrated and above the level upper-intermediate</p>	10%

	Elements of the Evaluation	Metrics for Evaluation	Maximum Weighted Score (in Percentage)
d)	<p>Potential for Scale up and Replication</p> <p>Potential for scale up and replication, which is demonstrated in <i>scalability</i> (incl. building on existing technology or approach, adaptable at minimum cost, addressing bigger need in market) and <i>replicability</i> (incl. easy to duplicate, adaptable to different regions and countries, usable in other sectors).</p>	<p>0 % if not demonstrated or poor, doesn't fit the market and/or is not valid for the long term; up to a maximum 10 % when the potential for scale up and replication are objectively demonstrated, i.e. methodology/plan with examples and way forward</p>	10%
e)	<p>Long-term Sustainability</p> <p>Financial, social and environment sustainability, which fits the market and is valid for the long term.</p>	<p>0 % if not demonstrated, not relevant or questionable; up to a maximum 10 % when the sustainability strategy is excellent, strongly demonstrates it's fit for market and valid for long term for more than 5 years</p>	10%
f)	<p>Value for Money and Cost-effectiveness</p> <p>Value for money and cost-effectiveness, which is reflected in balance between the <i>overhead costs</i> (incl. management costs, rent, production), <i>production costs</i> (incl. raw materials, equipment, licensing and taxes) and <i>delivery costs</i> (incl. installation and trainings, travel, communication and VAT).</p>	<p>0 % if did not prove value for money of exceed the budget; up to a maximum 10% when the balance is ideal, not questionable and without possibility of risks</p>	30%
g)	<p>Availability of Co-funding</p> <p>% of co-funding</p>	<p>0 % for the required minimum of 20% of total project costs, then 0.5% for every additional 1% co-funding of the total Project's costs, up to a maximum 10% = 40% co-funding of total project costs</p>	10%

