**Challenge call for innovative solutions for decarbonisation that contribute to a just green transition in Serbia**

WE ARE INVITING ALL PUBLIC COMPANIES, AND PRIVATE ENTITIES TO PROPOSE SOLUTIONS, INCLUDING NEW BUSINESS MODELS AND INNOVATIVE TECHNOLOGIES, FOR LOWERING THE GREENHOUSE GASS EMISSIONS. THESE SOLUTIONS SHOULD CONTRIBUTE TO THE ECONOMY DECARBONISATION, DEPOLLUTION OF OUR ENVIRONMENT, AS WELL AS THEY SHOULD TRIGGER ECONOMY TRANSFORMATION AS AN ALTERNATIVE TO THE COAL INDUSTRY. ALSO, THE SOLUTIONS SHOULD SUPPORT THE RETRAINING OF WORKERS FROM FOSSIL FUEL-INTENSIVE SECTORS TO DEVELOP NEW SKILLS REQUIRED IN THE MODERN LABOUR MARKET.

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**WHY HAVE WE LAUNCHED THIS CHALLENGE CALL?**

The business sector, especially the industrial sector, can considerably contribute to the reduction of emissions of greenhouse gases and climate change mitigation efforts, while also in parallel contributing to cleaner air, water and soil.

Changes, such as the green energy transition, bring us certain challenges. Green transition and green economy should become strategic goals of the business sector, which has an important role in the fight against climate change. That is why it is necessary for the public and private sector to use energy and natural resources in a sustainable way and thus reduce the negative environmental impact, and, on the other hand, contribute to the development of new business initiatives that can accelerate the green transformation.

For example, increasing the share of renewable energy, improved energy efficiency, as well as resource efficiency and modernisation of industrial processes (through digitisation and application of best available technologies) are key areas for reducing greenhouse gas emissions originating from the energy sector.

The green transition contributes to the improvement of the quality of the environment, as well as the health of the people, the economy and society as a whole. It also affects the transformation of industry, mining and the energy sector. That is why it is necessary for it to be just and strategically planned. The energy transition is being discussed for many years. It includes increased energy production from renewable sources and abandoning energy production from fossil fuels such as coal, which particularly affects the industrial sector. This transition requires enormous changes, both in public policies and in the awareness of all the stakeholders in the energy production and consumption chain. It is especially important for such a transition be just, especially for regions, sectors, local communities and individuals who are economically dependent on the intensive use of fossil fuels. This means that it is necessary to develop new branches of the economy as an alternative to the coal industry, to develop new technologies, to facilitate the reskilling of workers and the development of new skills that they need in the modern labour market. That is why it is important to understand that a just green transition is an integral part and not a consequence of the process of economy decarbonisation.

Through this challenge call, the United Nations Development Programme (UNDP) in cooperation with the Ministry of Environmental Protection and the Ministry of Mining and Energy, and with the financial support of the Government of Japan, invites both, public and private companies to propose innovative solutions for decarbonisation that contribute to a just green transition and environment depollution.

**WHY SHOULD YOU PARTICIPATE?**

* **You will contribute to solving an important social, economic and environmental problem** in Serbia and your local community;
* **You will improve the capacities of your company** for green business planning and implementation;
* **You will get access to co-financing** for project implementation;
* **You will acquire new knowledge and skills** of long-term benefit for the implementation of your idea;
* **You will get expert training and mentoring** for ideas and concepts selected for further development;
* **You will get a chance to find a partner** (Serbian or Japanese companies) for the implementation of projects with which you share a common vision;
* **You will get the opportunity to apply green technologies and expertise from more advanced companies, such as those from Japan,** and exchange experiences;
* **You will get the opportunity to access additional funds for investments** in decarbonisation technology and green transition business models;
* **You will get the opportunity to make your idea visible both to the local and international public.** The supported projects will represent positive examples that can be replicated or that can initiate changes in other similar companies, especially small and medium-sized enterprises.

**WHAT PROJECT PROPOSALS CAN YOU APPLY WITH?**

1. Projects (solutions and business models) that apply new technologies and technological solutions or offering new/modified applications of the existing ones (the first-of-its-kind in Serbia for the decarbonisation of the economy through:

* the use of renewable energy sources,
* improvement of resource and energy efficiency,
* sustainable transport models,
* automation and digitisation of the production organisation/process,
* new urban planning solutions, including construction, reconstruction and revitalisation of buildings.

1. Projects that encourage a just green transition of the fossil fuel and coal intensive regions and the development of new green economy as an alternative to the coal industry;
2. Projects that create prerequisites for retraining of workers and development of new skills that are needed in the modern labour market.

Some of the practical examples of projects that can be supported are: artificial intelligence solutions for optimised soil and yield management; technologies that convert organic waste (e.g. food leftovers) into biogas; processing of plant residues/agricultural biomass into highly efficient energy pellets; converting municipal waste into reusable products; identifying alternative fuels in industries, financing solar installations on public and residential buildings and applying the "prosumer" concept; replacing fossil fuels in district heating with alternative renewable energy sources; optimisation of industrial production, distribution and consumption of thermal energy through software improvements and new technologies, establishment of industrial symbiosis, etc.

**ADDITIONAL ASPECTS TO BE CONSIDERED IN PROJECT PROPOSAL**

* Solving social challenges, especially in regions that may be threatened by the energy transition (unemployment, marginalised groups, gender equality, etc.);
* Development of solutions that can be further scaled-up or used as a model for replication;
* Identifying potential partnerships with Japanese companies operating in Serbia in order to encourage the use of Japanese green technologies and products and the application of knowledge and experience in the process of green transformation of the economy;
* Identifying other partnerships with the public and private sector that bring added value to the project by contributing to systemic green transformation;
* The relevance of the proposed project for reducing harmful emissions into the air, water, soil, thereby improving the quality of the environment;
* The possibility of job transformation and reskilling to ensure minimal job losses, map potentials for economic diversification, support employability and provide livelihoods for the workers' families;
* Support for women’s entrepreneurship in the process of green transformation of the economy.

**WHO CAN APPLY?**

Public and private companies can participate in the challenge call independently or in a consortium.

To participate in the challenge call, the following prerequisites must be met:

* The lead applicant must be registered in the Republic of Serbia, in accordance with national legislation.
* Consortium members can be: public and private companies; cooperatives; Japanese companies operating in Serbia; scientific research organisations and institutions.
* If applying in a consortium, the lead applicant must be clearly identified as the consortium representative and the contact person for all questions related to the application. The lead applicant is also the beneficiary of funds provided within the project.
* Applicants can submit up to two applications as lead applicant and can participate in an unlimited number of applications as a consortium member, for this challenge call for proposals.
* Important note: Applications will not be accepted if prepared by the company working on: 1) production, selling or distributing tobacco and tobacco products; b) production of alcoholic beverages; 3) the production of weapons.

**INTO WHAT CATEGORIES DO WE DIVIDE PROJECTS?**

Project proposals can be classified into the following categories in relation to the value that will be co-financed by the challenge call:

1. Small projects with a total investment value of up to USD 100,000 (co-financing by donors up to 50% of the total investment value)
2. Medium-sized projects with a total investment value of USD 100,000 to 1,000,0000 (co-financing by donors up to 30% of the total investment value, not more than USD 100,000)
3. Large projects with a total investment value over USD 1,000,0000 (donor co-financing up to 20% of the total investment value, not more than USD 200,000)

In special cases, for project proposals with evaluation score of minimum 85 points graded by the Evaluation Panel of Experts and a provided budget justification, it might be possible to increase the rate of donor co-financing. The Project Steering Committee will make the final decision on each individual request, in line with the budget availability.

**Important note about co-financing:** all projects that are expected to be financed either from bank loans or from other sources of financing (bilateral, multilateral, private, etc.), should provide proof of this, in the form of a loan agreement with the bank and/or other documents confirming commitments assumed by the co-financier for the co-financing of the project until the end of the incubation phase. It is also important to mention that the applicant must clearly indicate the expected (or already existing) sources of financing and co-financing and provide some evidence of financial resources provided for the purpose of co-financing of the project (e.g. letter of intent, memorandum of understanding, bank guarantee, etc.).

**THE INTELLECTUAL PROPERTY RIGHTS DISCLOSURE**

The sole applicant shall provide a written confirmation to accompany their application confirming to the UNDP that they hold all intellectual property rights which are reasonably foreseeable as necessary for achieving the project goals, or a manner in which these rights shall be resolved in conformity with the project goals. Furthermore, the sole applicant is required to confirm to the UNDP that no intellectual property disputes have arisen from the innovative idea. In the case of consortia, the consortium agreement should appropriately confirm and resolve intellectual property rights between consortium members. In case of other intellectual property issues, the applicant(s) are required to disclose them to the UNDP before evaluation.

**TIMEFRAME FOR THE IMPLEMENTATION OF THE CHALLENGE CALL**

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| **THE IDEISATION PHASE AND SELECTION OF PROJECTS FOR THE INCUBATION PHASE** | |
| 7 July 2022 | CALL OPENS |
| 20 July 2022  25 July 2022 | INFO DAYS FOR EVERYONE INTERESTED  (hybrid or virtual consultations) |
| 17 August 2022 | DEADLINE FOR SUBMISSION OF APPLICATIONS |
| 25 August 2022 | EVALUATION PROCESS AND PUBLICATION OF RESULTS |
| **ACCELERATION PHASE** | |
| September 2022 - November 2022 | mentoring, coaching, trainings and webinars for at least 20 selected project proposals |
| **IMPLEMENTATION PHASE** | |
| November 2022 | SELECTING at least 5 projects to be financed and signing the co-financing agreement |
| November 2022 - February 2023 | IMPLEMENTATION of projects |

**PROJECT APPLICATION PHASE (SUBMISSION OF APPLICATION FORMS)**

*Duration of the challenge call: from 7 July 2022 to 15 August 2022*

Applicants are requested to fulfil the application online and submit it by the deadline. It is the sole responsibility of the applicant to upload the correct information contained in the electronic application submitted.

**SELECTION OF PROJECTS ENTERING THE ACCELERATION PHASE**

*Deadline for publication of results: 25 August 2022*

The UNDP project team will conduct technical evaluation of the applications to ensure they are completed correctly and meet the eligibility criteria, before submitting them to an independent evaluation panel of experts.

Applicants who are selected by the panel of experts and confirmed by the project's Steering Committee will have the opportunity to participate in the project accelerator, and receive additional mentoring and technical support. During the acceleration phase, mentoring sessions, trainings, and webinars will be provided for the selected projects.

**ACCELERATION PHASE**

*Duration of the acceleration phase: September 2022 - November 2022*

**Accelerator for decarbonisation, just transition and green industry** will act as a facility for provision of technical assistance, co-working space and a help desk for at least 20 selected project applicants. With the support of the project’s technical staff, consultants/mentors, the applicants will have an opportunity to further elaborate their proposed technical solutions. The selected teams will receive free-of-charge coaching support in the preparation. The acceleration support will also include specific analyses, assistance in the development of project-related documentation, capacity building workshops, participation in events, including possible site visits and study tours.

The selected applicants are expected to be fully committed to the development of their projects during acceleration and successfully achieve indicators/targets as listed below:

* Fully participate in the provided training programme, workshops, mentoring sessions and other related events organized by UNDP and project partners,
* Develop a clear business roadmap with a complete work plan and activities to be undertaken,
* Prepare necessary technical documentation, pre-feasibility and other relevant studies, permits etc, in order to prepare the proposed solutions, digital solutions and business models for operational implementation.

**IMPLEMENTATION PHASE**

*Duration of the implementation phase: November 2022 - February 2023*

Upon completion of the acceleration phase, the Steering Committee will select at least 5 (five) best projects that are ready for implementation.

Upon the signature of the co-financing agreements, in the implementation phase, the selected teams will have to put their ideas into action, and their progress will be monitored. The focus of this phase is on achieving successful implementation and evidence of outcomes. Field visits will be organised, with the involvement of the project team and project partners. At least one visit will be arranged coinciding with the final report of the co-financing contract winner.

**INVESTMENT GRANT SUPPORT MECHANISM - CO-FINANCING GRANT**

For the implementation of selected projects, the UNDP will provide a financing mechanism in the form of Low-value Performance-Based Payments Agreements (PBPA), i.e. payment of financial resources based on performance. In the case that the possibility of additional financing of some of the projects is recognised, the UNDP leaves the possibility for the Project Steering Committee to decide on this.

**APPLICATION FORM**

**Project proposals are submitted to the challenge call by filling out the Application Form for participation in the Challenge Call for Innovative Solutions for Decarbonisation that contribute to a Just Green Transition in Serbia.**

The application form is filled out in Serbian, and the summary of the project proposal must be described in both languages, Serbian and English. It is important that you answer all questions precisely and clearly. When completing the application form, please note that space available for response to some of the questions is limited, and that this is clearly indicated.

The applications shall be submitted through the internet portal, which is available at: <https://www.undp.org/sr/serbia> until 5:00 p.m. on 15 August 2022.

The following documents shall be attached to the application form:

* Evidence of previous experience in relevant sectors (list of completed projects, if applicable);
* Individual CVs, both for the project leader and for the team members (other participants-applicants) with clearly indicated roles in the project development and implementation;
* Draft partnership agreement;
* Statement of acceptance of the co-financing commitment;
* Insight into intellectual property rights;
* Attachments (if applicable).

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| **Important:**  **• Please ensure that you upload the final and complete version of your application by the deadline.**  **•** **When filling in the application form, please keep in mind the relevant evaluation criteria.** |

**APPLICATION FORM**

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| **Application details** | |
| Name | *Enter the full title of the project idea* |
| Main area/sector in accordance with the objectives of the Challenge call |  |
| Project duration | (*expressed in months*) |
| **Lead applicant** | |
| Name of the lead applicant | *Enter the full registered name of the lead applicant* |
| Contact details of the lead applicant | *Enter the full name, address, postal code, e-mail address, website and telephone number of the contact person* |
| Experience | *Briefly describe the experience, skills and expertise of the lead applicant and his employees* |
| **Other applicants (if applicable)** | |
| Name of applicant | *Enter the full name and type of organisation/institution* |
| Contact details of the applicant | *Enter the full name, address, postal code, e-mail address, website and telephone number of the contact person* |
| Experience | *Briefly describe the experience, skills and expertise of the applicant and his employees* |
| **Summary of the proposed project idea** | |
| Please provide a short summary, including the scope and objective/s of the project  Summary should be no more than 400 words. (in Serbian and English) | *The summary should present the main description of the project proposal, with sufficient information to provide a clear understanding of the challenge and its overall goal. It should also clearly present how the project will achieve its objective/s.* |
| **The project details** | |
| Project description  The limit is 2000 words | *What specific climate and decarbonisation-related challenge is the project tackling?*  *Please provide an overview of the approach (technical, technological, business model etc.) and methodology that your project intends to apply to respond to the Challenge Call*  *Please also explain the applied methodology/tool.*  *What is the expected GHG emission reduction resulting from your project?*  *If applicable, please explain how you plan to implement the partnership with Japanese companies operating in Serbia, whether through the application of Japanese green technologies and products or exclusively through the application of knowledge and experience in the process of green transformation of the economy.*  *Please explain whether the project:*   * + *has elements of support for women’s entrepreneurship in the process of green transformation of the economy.*   + *encourages the retraining of workers and the development of new skills that are needed for the modern labour market.* |
| What is innovative about your  project?  The limit is 1000 words | *Applicant(s) need to consider some of the following questions: What are the innovative elements of the proposed project? Does it represent the implementation of an existing idea into a new operational setting, etc? Why will your innovation be successful in addressing the problem compared to some other more standard approach?* |
| What are the risks to project success and what is the project’s risk management strategy? The limit is 300 words | *Please identify the key risks and uncertainties of the project and how the project would mitigate these risks.* |
| Intellectual property rights disclosure  The limit is 200 words | *Please identify the intellectual property rights or describe the model in which they will be resolved and confirm the absence of any legal disputes arising from intellectual property rights.* |
| Do the project applicant(s) have skills and experience to implement the proposed project?  The limit is 1000 words | *Please explain the experience and role of your team members.  Please describe the previously implemented projects/activities relevant for the objective of this Challenge Call.* |
| Activities of the project (including timetable)  The limit is 1000 words | *Please list the activities that would be required for applicant(s) to implement the proposed project, please explain how the proposed project fits in with your existing activities and operations. Please explain how the local community will be engaged.* |
| Expected impact and outcomes  The limit is up to 1500 words | *Describe the main impacts and outcomes of the project resulting from decarbonisation - how big is the contribution to the direct reduction of greenhouse gas emissions (in t/SO2 eq)?*  *Please present the cost-effectiveness of carbon dioxide mitigation (EUR/tSO2).*  *How will the project activities contribute to the reduction of greenhouse gas emissions and the reduction of the carbon footprint in communities with the transition towards clean energy?*  *Please provide information on energy savings if available.*  *How do the applicant(s) intend to ensure the sustainability of the project results and impact created?*  *How will the project impact vulnerable groups (marginalised groups, youth, women)?*  *Please explain what the short-term and long-term impact of the project is on local development and employment?*  *Please demonstrate the impact of the project on managing the social and economic effects of a just green transition of the coal regions?* |
| Gender approach  The limit is up to 300 words | *Please elaborate the approach to gender mainstreaming,*  *while acknowledging the complementary roles of both women and men, in order to obtain gender equality* |
| Expected project budget | *Please indicate the anticipated project costs in USD (against planned activities and outcomes). The total budget and cost structure must be reasonable, realistic and in line with the project activities.*  *Clearly present the contribution from project partners. How will the funds necessary for the project implementation be secured (include the sources, structure and any supporting documentation as evidence)?* |

**PROJECT SELECTION CRITERIA**

**Checking the completeness and compliance with the objectives and criteria of the challenge call**

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| No. | CRITERION NAME | YES | NO |
|  | The project proposal was submitted within the application deadline |  |  |
|  | The project proposal was submitted in the required application form |  |  |
|  | The project proposal was submitted with complete required documentation |  |  |
|  | The applicant meets the following conditions:   * the applicant is a public company or a private company registered in the Republic of Serbia * the applicant is a consortium, where the leading consortium member is a public company or a private company registered in the Republic of Serbia * if the applicant is a consortium, the members of the consortium meet the following conditions: public and private companies; cooperatives; Japanese companies operating in Serbia; scientific research organisations and institutions. |  |  |
|  | The purpose and objective of the project proposal is in accordance with the objectives of the challenge call |  |  |
|  | The proposed project budget is in accordance with the requirements of the challenge call and co-financing is provided in the requested percentage |  |  |

**Evaluation criteria for the submitted project proposals**

The applications that meet the conditions of the challenge call will be evaluated and selected for the incubation phase based on the following types of criteria:

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| Eligibility criteria | Maximum score | Description |
| operational and management capacity | 10 | Do the applicants demonstrate the relevant skills, expertise, experience and other resources to implement the project successfully within the timeframe? Does the project proposal demonstrate the complementarity of the participants and the extent to which the consortium as a whole brings together the necessary expertise? |
| Project’s quality, consistency and feasibility | 20 | Are the targeted area(s) of intervention relevant and in the scope of the call? Are the overall project objectives and expected outcomes clear, precisely defined, relevant, and realistic? Does the proposed methodology and planned actions guarantee the accomplishment of the proposed development of the technology, product or service? Based on the presented experience, do the applicants have sufficient access to resources (materials, supplies, analytical services, information, equipment, facilities, etc.) needed to accomplish their goal? |
| effectiveness and impact | 40 | What is the impact of the project on the decarbonisation of the economy - how much does it contribute to the direct reduction of greenhouse gas emissions (int/SO2 eq)?  Cost efficiency of carbon mitigation (EUR/tSO2).  What is the assessment of the impact of project implementation on the delivery of the green transition? Is the relevance of the proposed project to the reduction of harmful emissions into the air, water, soil, thereby improving the quality of the environment clearly shown?  Are sustainable partner solutions that bring added value to the project contributing to systemic green transformation foreseen? Is it planned to establish partnerships with Japanese companies operating in Serbia in order to encourage the use of Japanese green technologies and products and the application of knowledge and experience in the process of green transformation of the economy?  Does the solution generate an inclusive impact, specifically targeting a vulnerable population (for example: youth, women and/or marginalised groups)? What is the project’s short- and long-term impact on local development and employment? Does the project have elements of support for women’s entrepreneurship in the process of green transformation of the economy? Does the project encourage the retraining of workers and the development of new skills that are needed for the modern labour market? Is the project’s impact on managing the social and economic effects of a just green transition of the coal regions demonstrated (if applicable)? |
| innovation | 10 | Can the project be considered innovative compared to the existing solutions in Serbia? Will the project result in innovative improvement of existing products and technological solutions? Is the project or any part of it subject to intellectual property rights? |
| Sustainability and replicability | 10 | Does the project have the potential to be scaled up and/or replicated over time and be implemented by other stakeholders in Serbia? |
| Project budget and financial viability | 10 | Are the project costs realistic, are the planned actions cost-efficient? What is the project cash co-financing amount of the project implementing agent, that is, what is the share of it in the total investment? Is the budget proposed according to project activities? |
| Total | **100** |  |

The Applications shall be submitted electronically via the project website: <https://www.undp.org/sr/serbia> by 5.00 p.m. on 15 August 2022.

Interested candidates are invited to participate in the info days that will be organised on the following dates: 20 July and 27 July 2022.

**CONTACT INFORMATION**

Interested parties can send questions regarding the application process to the challenge call to the UNDP by e-mail at the following address: [smiljka.zivanovic@undp.org](mailto:smiljka.zivanovic@undp.org) or at the following phone number: 060 0802 981 and 064 2244 027.