Annex 2 (concept note template)

Joint SDG Fund – Call on SDG Financing

**Concept Note template (with instructions)**

* The Concept Note application will be submitted via an online form by the RC.
* The on-line application needs to include the upload of the signature page and the letter of endorsement by the government.
* The applications that do not follow this template strictly, including word limits for individual responses, will not be considered for technical review, and therefore rejected.

**FACT SHEET**

**Title of the proposed Joint Programme: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**UNCT:**

**Date:**

**RCO focal point:**

**Lead UN entity and contact person:**

**Participating UN entities and contact persons:**

**-**

-

**Relevant Cooperation Framework Outcome/s and Output/s:**

**-**

-

**Relevant objective/s from national strategic document/s:**

**-**

-

**SDG targets on which the progress will be accelerated (includes targets from a range of SDGs and development pillars):**

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-

**SELF-ASSESSMENT**

|  |  |
| --- | --- |
| **Eligibility criteria** | **Yes/No** |
| The proposal reflects the integrated nature of the SDGs |  |
| The proposal is based on an inter-agency approach (two to more UN entities involved), with RC coordinating preparation and implementation |  |
| The proposed results are part of the UNDAF/Cooperation Framework and aligned with national SDG priorities |  |
| The proposed Joint Programme will be endorsed by government and include key national stakeholders |  |
| The proposal is based on country-wide consultations, as explained in the Concept note, and endorsed by the government (the letter of endorsement) |  |
| The proposal is based on the standard template for Concept Notes, it is complete, and it includes:  - Theory of Change demonstrating contribution to SDG acceleration,  - Results-oriented partnerships, including a strategy to engage and partner with IFIs/MDBs  - “Quick wins” and substantive outcome-level results, and  - Initial risk assessment and mitigation measures. |  |
| The proposal is expected to leverage resources for the SDGs at scale |  |

**PROPOSAL for JOINT PROGRAMME**

1. Summary of the Joint Programme.

*Max 400 words*

=> Provide an overview of the Joint Programme by summarizing:

- Overall purpose of the Joint Programme

- The problem/s that the Joint Programme intends to solve, including the needs/gaps it addresses

- Expected results by the end of the Joint Programme period

- Technical description of the financing solution, mechanism or product that would result from a successful Joint Programme

- Current stage of the initiative [pre-design, proof of concept, feasibility study, piloting, minimum viable product]

Technical Criteria Associated to Answer: All, as relevant.

2. Thesis and theory of change of the Joint Programme.

*Max 500 words*

=> Explain how the proposed Joint Programme is expected to accelerate progress on the SDGs: How will the initiative address a blockage in flows of private and public capital?

Be sure to clearly identify the causal chain between the Joint Programme and the expected progress on the SDGs through the unblocking of private and public capital flows.

List the main assumptions underlying the Theory of Change.

Technical Criteria Associated to Answer:

1.1 Relevance of the approach (criticality of the approach towards the financing of the SDGs; potential for scaling-up and replication)

1.2 Rationale for the proposal (clarity of the intervention within the broader context of financing the SDGs)

1.3 Theory of Change (clarity and quality of)

3. What are the expected results of the proposed Joint Programme?

*(If the Concept note is approved, this will be the basis for Results Framework of the full Joint Programme document).*

*Max 400 words*

=> Use bullet points to present the results expected by the end of the Joint Programme. Include both “quick wins” and longer-term, outcome-level results regarding SDG acceleration. Explain how you plan to measure the contribution of the proposed results to SDG acceleration.

=> Briefly show how the results sought are part of the UNDAF/Cooperation Framework and aligned with national SDG priorities, as defined in national development strategy/plans, other relevant strategies/plans and/or (multi)annual budget frameworks. Highlight cross-cutting issues.

=> Indicate how you plan to ensure the sustainability of results after the end of the Joint Programme.

Technical Criteria Associated to Answer:

1.1 Relevance of the approach (criticality of the approach towards the financing of the SDGs; potential for scaling-up and replication)

1.2 Rationale for the proposal (clarity of the intervention within the broader context of financing the SDGs)

1.5 Cross-cutting issues (e.g. inclusion of gender)

4. Describe the innovative nature of the Joint Programme

*Max 400 words*

=> How is the approach innovative, as defined in the call?

The way an initiative is innovative can be described as:

• Innovation from a financial standpoint, in terms of not being widely adopted in the financial markets (such as a lending facility where the cost of borrowing is tied to borrower’s contribution toward the achievement of the SDGs, such as by progressive reductions in water usage).

• Innovation in terms of its application to a new specific sector or geography (such as educational loans for migrants whose repayment is set as a percentage of future income).

• Innovation in terms of attracting new participants and investors (such as commercially oriented investors).

• Innovation in terms of its use within the UN system, in accordance with UN reform principles (for example, where multiple UN agencies collaborate on the setting of the parameters for due diligence of the pipeline of an SDG-aligned private equity fund).

Why has a tool or product such as the one proposed by the Joint Programme not been successfully pursued previously? What suggests an elevated likelihood of success in the current initiative? Why is the implementation of this specific Joint Programme timely?

=> Briefly explain how this Joint Programme builds on what has been done or is currently being done by the UN and by other actors, with a particular eye toward key IFIs and DFIs.

=> Briefly explain what the alternative approaches/ideas are and why is this proposal the best approach. Have you or do you plan to prototype / test and cost alternative solutions?

Technical Criteria Associated to Answer:

3.1 Innovativeness of the approach (scope-outcome indicator of the Fund)

5. Expected added value of the UN and the Joint SDG Fund

*Max 300 words*

=> Demonstrate the expected added value of the UN (i.e. it would not happen without the UN) and how this will be different from “business as usual” in your specific context (e.g. new partnerships, practices, methods, ideas).

Explain why the initiative requires Joint SDG Fund support to succeed. Were it not for the Joint SDG Fund, how and from what entity would the initiative find support?

=> Given that the initiative centers around finance and catalytic investments, explain why the UN is the appropriate entity to undertake it.

Technical Criteria Associated to Answer:

1.4 UN Value-add (additionality of UN and appropriateness in positioning) and Joint SDG Fund Value-add

6. Leadership and implementation of the Joint Programme

*Max 300 words*

=> Outline the roles, including RCO, UN entities, (sub)national government, civil society, the private sector, trade unions, international development partners, and other actors.

=> Where capacity is currently lacking, indicate how you intend to enhance the capacities for implementation of the Joint Programme.

=> Outline what additional help and capacity, besides Joint SDG Fund support, the Joint Programme needs to succeed.

Reference (1) required partnerships, (2) technical capacity that is currently available for the initiative, and (3) plan to convene additional capacity. Be specific and address the ability to provide or secure quality expertise.

Technical Criteria Associated to Answer:

2.1 Roles and responsibilities (Clarity and appropriateness of)

2.2 Capacities (Technical capacities and/or ability to access technical capacities)

7. Expected period of implementation

*Max 200 words*

=> Indicate the period planned for implementation of the Joint Programmeand provide brief justification.

=> Include the 3-4 most critical milestones (intermediary results) and indicate how they align with plans and initiatives of the government, PUNOs and other UN entities, and other partners.

Technical Criteria Associated to Answer:

2.3 Duration and milestones (Clarity and appropriateness of)

8. Cost, co-funding, and co-financing of Joint Programme

*Max 400 words*

=> Indicate the overall cost for implementation and how the funds are intended to be utilized, and then justify its cost-efficiency or value for money.

=> Indicate the percentage of the total amount requested from the Joint SDG Fund. Indicate, if applicable, the amount and source/s of cost sharing or co-funding (with respect to implementation costs).

Technical Criteria Associated to Answer:

2.4 Budget adequacy (Cost-efficiency and appropriateness)

3.3 Expected co-finance leverage (scale-outcome indicator of the Fund)

9. Risk assessment

*Max 400 words*

=>Indicate the main risks and response strategies for the Joint Programme, including an evaluation of which specific contextual factors might influence effective, efficient and sustainable implementation of the Joint Programme.

=>Explain the main assumptions underlying the risk and mitigation assessment.

=>Address to what extent the implementation of the Joint Programme might affect safeguarding UN principles and international norms and standards, and whether the implementation of the Joint Programme may pose reputational risks to the UN.

Technical Criteria Associated to Answer:

2.6 Risk Management (including mission drift and reputational exposure)

10. Convening the private sector and engaging IFIs/DFIs

*Max 200 words*

=>Explain how the initiative intends to convene and crowd-in private/financial sector players, including IFIs and DFIs

Convening refers to the ability ­­­­­­to engage the private sector for development results and involves the active participation of the private sector. While convening can take different shapes, ranging from inviting into formal partnerships to hosting ongoing technical consultations, it generally centers on efforts that seek to activate in a collaborative way private sector assets, connections, and expertise.

Crowding-in refers to the creation of the circumstances that enable the participation of additional actors that would otherwise (or have historically) not have been involved in initiatives of this sort.

=>Explain the steps taken or intended to engage the private sector and IFIs and DFIs.

Technical Criteria Associated to Answer:

3.2 Ability and strategy to convene the private sector and to engage key IFIs, DFIs and other partners (scope-outcome indicator of the Fund)

11. Leverage and catalytic function

*Max 400 words*

=>Present evidence of the initiative’s ability to leverage additional capital at scale if successful.

=> Indicate the expected/estimated co-finance leverage of the Joint Programme.

“Co-financing” refers to the parallel financing of programs or projects through loans, grants or other financial investment. (Note that it differs from “co-funding,” which refers to funding directly transferred to the JPs by the UNCT). “Leverage” refers to the ability to trigger the mobilization of additional resources to achieve the same objective and should be measured as the ratio of co-funding to the total funding amount.

=> Indicate the expected/estimated private finance leverage of the Joint Programme.

“Private finance leverage” refers to amount of complementary investment from private sources (non-ODA and non-public budgets) that is attracted into the initiative. “Leverage” should be measured as the ratio of private finance investments to the total funding amount.

=> Describe the thesis around the potential replication of the solutions and results brought forth by the Joint Programme across other sectors or geographies.

Technical Criteria Associated to Answer:

3.3 Expected co-finance leverage (scale-outcome indicator of the Fund)

3.4 Expected private finance leverage (scale-outcome indicator of the Fund)

12. Technical support and seed funding

*Max 400 words*

=>Please indicate the expected technical and financial support required to complete the drafting of the joint programme.

=> Please indicate the budget required to be transferred to the lead agency for preparation work. Please not that the budget will be deducted from the maximum amount and should be counted in the budget submitted along the Joint Programme.

Technical Criteria Associated to Answer: Not related to technical criteria.

**SIGNATURE PAGE**

*This template should first be adjusted depending on who the partners are (and if they are confirmed), then printed, signed, and scanned. It should be uploaded at the very end of the on-line application.*

|  |  |
| --- | --- |
| **Title of the proposed Joint Programme** |  |
| **Country** |  |
| **Proposed duration of implementation** |  |
| **Overall cost** |  |
| **The amount requested from the Joint SDG Fund** |  |

|  |  |
| --- | --- |
| **Resident Coordinator** | Signature:  Date: |
| Name: |
| **Lead UN entity:** | Signature:  Date: |
| Name and title: |
| **Participating UN entity:** | Signature:  Date: |
| Name and title: |
| **Participating UN entity:** | Signature:  Date: |
| Name and title: |

**GOVERNMENT ENDORSEMENT**

*At the end of the on-line application, the RC will need to upload a letter from the government endorsing the Concept note.*

*Where possible, the letter of endorsement should be requested from the Ministries of Finance/Economy or Prime Minister Office.*

**Annex 2: Technical review criteria for Concept Notes**

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Criteria** | **Weight in category** | **Weight of the total** |
| **1. Impact (Relevance for the SDGs)[[1]](#footnote-1)** | 1.1 Relevance of the approach (criticality of the approach towards the financing of the SDGs) | 20% | 40% |
| 1.2 Rationale for the proposal (potential for scaling-up and replication) | 20% |
| 1.3 Theory of Change (clarity and quality of) | 40% |
| 1.4 UN Value-add (additionality of UN[[2]](#footnote-2) and appropriateness in positioning) and Joint SDG Fund Value-add | 10% |
| 1.5 Cross-cutting issues (e.g. inclusion of gender) | 10% |
| **2. Risks (Delivery and Operations)** | 2.1 Roles and responsibilities (Clarity and appropriateness of) | 20% | 30% |
| 2.2 Capacities (Technical capacities and/or ability to access technical capacities) | 20% |
| 2.3 Duration and milestones  (Clarity and appropriateness of) | 10% |
| 2.4 Budget adequacy (Cost-efficiency and appropriateness) | 10% |
| 2.5 Stage of development (Previous programming, results, analysis and feasibility) | 20% |
| 2.6 Risk Management (including mission drift and reputational exposure) | 20% |
| **3. Portfolio Fit[[3]](#footnote-3)** | 3.1 Innovativeness of the approach (scope-outcome indicator of the Fund) | 30% | 30% |
| 3.2 Ability and strategy to convene the private sector and to engage IFIs/DFIs (scope-outcome indicator of the Fund) [[4]](#footnote-4) | 30% |
| 3.3 Expected co-finance leverage (scale-outcome indicator of the Fund)[[5]](#footnote-5) | 20% |
| 3.4 Expected private finance leverage[[6]](#footnote-6) (scale-outcome indicator of the Fund) | 20% |

1. Proposals should contribute to and accelerate the implementation of the SDGs. The result framework of a JP is described by outcomes and outputs as per the template. The term impact refers to the grouping of indicators. [↑](#footnote-ref-1)
2. The term is intended as development additionality and refers to development impacts that arise as a result of investments that otherwise would not have occurred. One of the main rationales is that it can facilitate faster, larger or better development impacts. [↑](#footnote-ref-2)
3. The application of criteria will be cognizant of the development context where those are applied, for example in SIDs or LDCs. For example, there will be no automatic assignment of scores based on the absolute leverage expected. The criteria are directly linked to the Outcome 2 of the fund and its indicators on scope and scale of financing. [↑](#footnote-ref-3)
4. Convening refers to the ability ­­­­­­to engage the private sector for development results and involves the active participation of the private sector. While convening can take different shapes, ranging from inviting into formal partnerships to hosting ongoing technical consultations, it generally centers on efforts that seek to activate in a collaborative way private sector assets, connections, and expertise. [↑](#footnote-ref-4)
5. Co-financing is defined by OECD and IMF as the parallel financing of programs or projects through loans, grants or other financial investment. It broadly refers to the mobilization of additional resources to achieve the same objective. Co-funding instead implies that funding is directly transferred to the JPs by the UNCT. [↑](#footnote-ref-5)
6. Commonly used term to describe the use of funds from public budgets or ODA to trigger complementary private investment. Private finance leverage is the ratio of financing estimated to be attracted from private sector in percentage of the total. [↑](#footnote-ref-6)