

**THIRD-PARTY COST-SHARING AGREEMENT
BETWEEN THE GOVERNMENT OF THE SLOVAK REPUBLIC
REPRESENTED BY THE MINISTRY OF FINANCE OF THE SLOVAK REPUBLIC (THE
DONOR) AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis (hereinafter referred to as “the Contribution”) for the implementation of the Transformative Governance and Finance Facility (hereinafter referred to as “the Project”), as described in the Project document **00092913 “Transformative Governance and Finance Facility”** and submitted to the Donor for information and approval.

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

Article I. The Contribution

1. (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of 1,500,000 USD (one million two hundred thousand US dollars). The Contribution shall be deposited in:

Bank name:	Bank of America
Address:	East, 45 TH Street, Suite 478 New York NY 10017
Account No.:	375 217 4553
ACH Routing Number:	111000012 [to be used only by US-based banks using ACH payment type]
Wire Routing Number (ABA):	026009593
SWIFT:	BOFAUS3N
Account holder:	UNDP Istanbul Regional Hub
Currency type:	USD

<u>Schedule of payments</u>	<u>Amount</u>
1 st installment before 31 December 2015	750,000 USD
2 nd installment before 31 December 2016	750,000 USD

(b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, jana.bertok@undp.org, dmitri.mariassin@undp.org providing the following information: donor’s name, UNDP country office, Project no. and title, donor reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of Project delivery.

3. UNDP shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP.

4. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP pursuant to this Agreement and the Project document shall be dependent on receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above. UNDP shall not start the implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).
2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavors to make available to UNDP the additional funds required.
3. If the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2 above is not forthcoming from the Donor or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.
4. Any interest income attributable to the Contribution shall be credited to UNDP Account, retained by UNDP and shall be utilized in accordance with established UNDP procedures.

Article III. Administration and reporting

1. Project management and expenditures shall be governed by the rules, regulations, policies and procedures of UNDP.
2. UNDP shall provide to the Donor the following reports in accordance with UNDP accounting and reporting procedures.
 - (a) From the UNDP Regional Centre an annual status report of Project progress for the duration of this Agreement, as well as the latest available approved budget.
 - (b) From UNDP Bureau of Management/Office of Finance, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
 - (c) From the UNDP Regional Centre within six months after the date of completion or termination of this Agreement, a final report summarizing Project activities and impact of activities as well as provisional financial data.
 - (d) From UNDP Bureau of Management/Office of Finance, on completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.
3. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the Donor. The nature and frequency of this reporting shall be detailed in an annex to this Agreement.

Article IV. Administrative and support services

1. In accordance with the decisions, policies and procedures of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged a fee equal to 8%. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation will be identified in the Project budget against a relevant budget line and borne by the Project accordingly.
2. The aggregate of the amounts budgeted for the Project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the Project under this Agreement as well as funds which may be available to the Project for Project costs and for support costs under other sources of financing.

Article V. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP in consultation with donor will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a Project including an evaluation of its Contribution to an outcome which is listed in the UNDP Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

Article VI. Equipment

Ownership of equipment, supplies and other properties financed from the Contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VII. Auditing

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Donor by the Regional Center.

Article VIII. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the Project have been completed in accordance with the Project Document.
2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.

3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.

4. In cases where the Project is completed in accordance with the project document any funds that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Donor. If such agreement is not reached within six (6) months from the Donor's reception of UNDP notification, the balance shall be returned to the Donor.

Article IX. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the Donor after consultations between the Donor and UNDP, and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project. This Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate this Agreement.

2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.

3. In cases where this agreement is terminated before Project completion any funds that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Donor. If such agreement is not reached within six (6) months from the Donor's reception of UNDP notification, the balance shall be returned to the Donor.

Article X: Notice

Any notice or correspondence between UNDP and the Donor will be addressed as follows:

(a) To the Donor: Ministry of Finance of the Slovak Republic

Address: Ministerstvo financií Slovenskej republiky
Štefanovičova 5
817 82 Bratislava

(b) Upon receipt of funds, UNDP shall send an electronic receipt to the Donor email address provided below as confirmation that the remitted funds have been received by UNDP

Donor email address: martina.kobilicova@mfsr.sk

Attention: marianna.macaskova@mfsr.sk

(c) To UNDP:

Olivier Adam, Deputy Regional Director, Regional Bureau for Europe and the CIS

Address: United Nations Development Programme Istanbul Regional Hub
Regional Bureau for Europe and the CIS

Key Plaza, 10th floor, Abide-i Hürriyet Cd. İstiklal Sk. No/11
Şişli, 34381, Istanbul, Turkey

Article XI. Amendment of the Agreement

This Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of this Agreement.

Article XII. Entry Into Force

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English and Slovak languages in two original copies, whereas English language wording has preference in case of dispute.

For the Donor:

For the United Nations Development Programme:

Peter Kažimír

Rastislav Vrbensky

Deputy Prime Minister and Minister of Finance
of the Slovak Republic

Manager, UNDP Istanbul Regional Hub for
Europe and the CIS

(Date)

(Date)

United Nations Development Programme
Regional Hub for Europe and the CIS
Project Document

Project Title

Transformative Governance and Finance Facility

Expected Regional Programme Outcome(s):

(Those linked to the project and extracted from the Regional Programme)

UNDP Regional Programme for Europe and CIS (2014-2017) Outcome 2: *“Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance.*

RP Output 2.1. . Institutions and systems enabled to address awareness, prevention and enforcement of anti-corruption measures across sectors and stakeholders

Expected Output(s):

(Those that will result from the project)

1. Public sector institutions in the ECIS region enhanced knowledge and skills to use data for good governance and social impact.
2. Citizens in the ECIS region enabled to generate and use data that could strengthen design and delivery of a wide range of public services.
3. Regional and national entities, leaders and groups enabled to learn from each other, collaborate and share experience.
4. National counterparts and citizens enabled to apply a range of alternative financing mechanisms for the benefit of policy-making and public service delivery.

This project is based on a long and rich experience that the Slovak Republic as donor and UNDP have accumulated over the course of the past decade. Since early 2000s, UNDP’s partnership with the Slovak Republic has been the largest initiative with an emerging donor in the region, consisting of two elements: supporting ODA delivery and capacity building through the Slovak-UNDP Trust Fund; and supporting public finance management reforms in partner countries through the Public Finance for Development Programme. This project is a continuation of UNDP’s partnership with the Ministry of Finance of the Slovak Republic in support of the Slovak priorities in development cooperation. As such the project will specifically lead to achieving the following key outputs a) Public sector institutions in the ECIS region enhanced knowledge and skills to use data for good governance and social impact; b) Citizens in the ECIS region enabled to generate and use data that could strengthen design and delivery of a wide range of public services; c) Regional and national entities, leaders and groups enabled to learn from each other, collaborate and share experience; and d) National counterparts and citizens enabled to apply a range of alternative financing mechanisms for the benefit of policy-making and public service delivery. Among geographic priorities in the region, the facility will ensure presence throughout the ECIS region.

Programme Period:	2014-2017
Project ID:	00092913
Start Date:	1 December 2015
End Date:	31 December 2017
PAC Date:	10 December 2015
Management arrangements:	DIM

Total resources required:	1,500,000USD
Total allocated resources:	1,500,000 USD
In-kind contribution: Appropriate office space, meeting UN’s security and standard office space requirements.	

Agreed by (Ministry of Finance of the Slovak Republic):

Agreed by (UNDP):

Note: Any amendments to this project document shall be in writing and duly signed by the parties hereto. The Project Board shall be able to make any non-substantial amendments by mutual agreement.

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List of abbreviations

AIS	Albanian Institute of Science
ATM	Automated Teller Machine
BIS	Budget Information System
CIS	Commonwealth of Independent States
CO	Country Office
CRC	Central Register of Contracts
CSA	Cost-Sharing Agreement
CSO	Civil Society Organisation
DAC	Development Assistance Committee (OECD)
DIB	Development Impact Bonds
DIM	Direct Implementation Modality
DCD	Development Co-operation Directorate (OECD)
ECIS	Europe and the Commonwealth of Independent States
\	
EU	European Union
GDP	Gross Domestic Product
IATI	International Aid Transparency Initiative
IC	Institutional Contract
IODC	International Open Data Charter
LLI	Leadership, Learning and Innovation Institute
M&E	Monitoring and Evaluation
MCGA	Micro-Capital Grant Agreement
MDG	Millennium Development Goals
MF SR	Ministry of Finance of the Slovak Republic
MFA SR	Ministry of Foreign Affairs of the Slovak Republic
MFEA SR	Ministry of Foreign and European Affairs of the Slovak Republic
MOOC	Massive Online Open Course
NGOs	Non-Governmental Organizations
OD4D	Open Data for Development
ODA	Official Development Assistance
ODECA	Open Data in Europe and Central Asia
ODI	Open Data Institute
ODRA	Open Data Readiness Assessment
OECD	Organisation for Economic Cooperation and Development
OGI	Open Government Initiative
OGP	Open Government Partnership
OKF	Open Knowledge Foundation
P2P	Peer to Peer
PB	Programme/Project Board
PBB	Programme Based Budgeting
SBAA	Standard Basic Assistance Agreements
SDGs	Sustainable Development Goals
SEE	South-East Europe
SIB	Social Impact Bonds
SMS	Short Message Service
SPEDC	Slovak UNDP Partnership for Effective Development Cooperation
STEM	Science, Technology, Engineering, Medicine
TOR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

I. SITUATION ANALYSIS

This project is based on the rich experience that the Slovak Republic as donor and UNDP have accumulated over the course of the past decade, and the current global developments in embracing data-driven decision making and higher civic engagement as means to transform governance and exploration of alternative sources of financing for sustainable development. It reflects the current global trends and the development, transformation of Slovak ODA, as well as the results and lessons learnt of the three initiatives with UNDP. A brief summary follows below.

1.2. The Data Revolution and the SDGs

The 2030 Development Agenda and the Sustainable Development Goals have brought to the fore the need for a global data revolution. The report of the UN Secretary General's Independent Expert Advisory Group on the Data Revolution emphasized the new ways of opening up and using data to drive real, tangible changes in people's lives. The report highlights two challenges:

- **The challenge of invisibility – gaps in what we know from data, and when we find out;**
- **The challenge of inequality – gaps between those with and without information, and what they need to know to make their own decisions.¹**

To address these challenges and strive towards sustainable development, the report recommends: **(i) fostering and promoting innovation to fill data gaps, (ii) overcoming inequalities between data-poor and data-rich people and countries, and (iii) leadership and coordination to enable the data revolution to play its full role in the realization of sustainable development.**² The discussion about the measurement of the goals has followed the entire process from inception and post-2015 consultations, into the Addis Ababa Financing for Development Conference and will continue to be at the centre of the debate about the goals throughout the implementation. The current draft outcome of the Financing for Development Conference acknowledges the need to build countries' capacity to collect reliable data, and the value in making this data open: "We recognize that greater transparency is essential, and can be achieved by publishing timely, comprehensive and forward-looking information on development activities in a common, open, electronic format".³

The global endorsement of the data revolution demonstrates a new commitment to use the potential of data to address and measure the SDGs. The SDGs are a framework within which the project takes place, and specifically the proposal seeks to address civic grievances for participation in policy-making and more transparent and accountable governance, as reflected in SDG 16 and other goals. New technologies present new opportunities for bringing citizen voice to the fore—to democratise the way that information, news and views about development is collected, curated and used. And, from citizen reporting on key development outcomes to crowdsourcing opinion on how people perceive progress, new mechanisms to promote people-powered accountability are popping up around the world. These citizen-generated initiatives hint at the true potential of the data revolution to transform the way we understand development, the governance of societies and hold all stakeholders to account.⁴ Some initial initiatives are already taking place but they are far apart from each other. [Datashift](#), led by CIVICUS, the global civil society alliance, seeks to address the use of citizen-generated data to contribute to and measure development. Medialab Prado in Madrid's project [The Data Citizen Driven City](#) imagines a city where citizens gather data about what they care about; its goal is to create a distributed network of citizens that aims to know more about their environment using realtime sensors and tools. Other examples include the [Citizen Data Lab](#) at the University of Amsterdam, which combines two methods to generate data: Web Data Mapping collects (online) data related to urban issues and Participatory Data Mapping involves users to bring together themes relevant to their own environment. For example, residents are given tools to measure the amount of litter in their neighborhood, which in turn can influence local behavior.

¹A *World That Counts: Mobilising The Data Revolution for Sustainable Development*. IAEG for UNSG, 2015

² Ibid.

³Alonso, Josema. "Government must get behind open data to achieve SDGs". WWW Foundation, 2015. <http://webfoundation.org/2015/07/governments-must-get-behind-open-data-to-achieve-the-sdgs/>

⁴ Datashift. Civicus

The need for real time measurement of global progress is no longer only an aspiration, but with the help of nascent technologies it is an efficient and necessary investment. The current global technological progress makes it possible to overcome the challenge of using historical and outdated data for measurement of the SDGs, which was the case with MDGs.⁵ However, the emergence of the new data sources (SMS, social media, sensors, etc.) has created a dichotomy between new and traditional sources of data. This initiative also seeks to transcend this dichotomy, by combining the different data sources for a particular goal, but also exploring ways in which new data sources can be used to address and understand social challenges where traditional data is lacking or unreliable. [Early evidence](#) from UNDP's work with new sources of data shows great potential in harnessing these for a variety of policy and development related issues including real-time monitoring of SDGs. UNDP in Tunisia is working with the [Tunisian National Statistics Institute](#) to explore how non-traditional sources of data, like social media, can contribute to the establishment of a baseline, and continued monitoring of our progress in reaching Goal 16. Similar examples include using [mobile phone data to understand better movement patterns for more effective disaster risk reduction](#), Google searches to foresee [employment patterns in real time](#), social media activity [as a proxy for inflation](#) and [water levels, public transport usage combined with user feedback](#) to conduct better urban planning, traffic management and reduction in CO₂ emissions, tracking users of social media networks to measure [the extent of ghost cities](#) and [scope of informal economy](#), real time analysis of the weather, farming and citizen generated data [to determine the timing for and type of most suitable crops for the farmers](#), real time analysis of the sewage contents [to predict outbreaks of various diseases](#).

However, there are significant challenges in tapping into and linking citizen generated data (active or passive alike) into the process of public service design and delivery. They include: i) **practice is ahead of the current business processes and regulation:** citizens tend to collect data about phenomena they care about and are interested in (eg. [bird watching](#)) while the local authorities in most cases don't have official mechanisms through which they can officially use that data for complementing the existing ones, ii) **representation, connectivity and digital literacy-** citizen-generated data by nature come from those who are connected, therefore focusing primarily on that data may create a blindspot when it comes to the marginalized and non connected groups (these vary on the context but can include elderly, people with disabilities, young, poor, rural households) and gender specific differences, iii) **inadequate existing engagement model** - practice shows that clusters of individuals can come around a particular issue (eg. [smart citizen tool kit and real time monitoring of environment](#)), which makes it difficult for a local or national government to establish a long term, sustainable engagement where the data generated from the activity could effectively support the process of policy design and delivery.

The intervention proposed in this project is set within the framework of the Global Goals for Sustainable Development. Data as the lifeblood of development feeds into the different streams of the Global Goals. Its application is multi-faceted and cuts across all Global Goals, but is more strongly rooted in goals 1, 5, 6, 8, 9 11 and 16. Key themes which are featured in this proposal and are represented in the SDGs are:

- **Inclusive and peaceful societies:** Early evidence demonstrates the role that technology and data can play in improving the effectiveness and inclusiveness of decision-making, improving access to justice and the rule of law (Goal 16), reducing corruption (Goal 16, 16.5), developing accountable and transparent institutions at all levels (16.7), and ensuring public access to information and protection of fundamental freedoms, in accordance with national legislation and international agreements (16.10).
- **Governance and public service delivery:** Data-driven public services can improve access to and delivery of services for the most vulnerable groups, thus contributing to the fight against poverty (Goal 1, 1.4). New technologies and data analytics can mitigate the risks and pressures of the migration trend towards the cities globally, leading to better targeted service provision, including housing, transport, social services, security and sustainable urbanization, and higher responsiveness of city or local governments (Goal 11, 11.1, 11.2, 11.3). UNDP experience in Uzbekistan shows that data can improve management of water resources (Goal 6, 6.5).
- **Digital capacity building:** Data literacy and data driven solutions can enhance the use of enabling technology to promote the empowerment of women (Goal 5, 5b). Whereas in the global digital

⁵ Sachs, Jeffrey. "The Data Revolution for Sustainable Development". Project Syndicate, September 2015.

economy, digital capacity building for young people will drive innovation and employability of young people (Goal 8, 8.6).

- **Sustainability and innovation:** Use of nascent technologies supports global resource efficiency in consumption and production (Goal 8, 8.4). Fostering innovation (Goal 9) is foreseen throughout this proposal, leading to a significant increase in access to information and communications technology (9.c).
- **Inclusiveness:** In connected societies, as are those in the ECIS region, contextualized development and provision of digital tools, has catalytic potential on inclusiveness and ensuring that no one is left behind. While there is still much to be done in the region to ensure digital literacy and access, these tools can help overcome social, economic and political barriers to foster inclusion of all, irrespective of their economic status, age, sex, disability, race, ethnicity, origin and religion (10.2).

The technology advancements underpinning the data revolution are also inspiring an emergence of an entirely new class of financial mechanisms that are targeting social outcomes and public services. The ability to better measure social outcomes has opened up a possibility of effective calculation on return on investment into social infrastructure (public sector) and directly create an entirely new asset class (individuals, private sector, organizations interested to invest in public sector) through growth of peer-to-peer lending, mobile money, alternative currencies, (equity) crowdfunding, payment for results, impact investment and many others. A telling statistic points to its potential- in 2013 alone, [close to 50% of Kenya's GDP had flown through the mobile-based platform M-Pesa](#), resulting in Kenya being the first government in the world to have enabled its citizens (even those without a bank account but with access to mobile phone) to purchase [equity in a national infrastructural bond via M-Pesa for as little as \\$28](#).

The new mechanisms have been growing both in terms of their market size, their operations and the way they serve those in developing countries. Their potential ranges from reducing transaction costs of transferring remittances, leveraging private investment for social outcomes (the [impact investment market is expected to grow to \\$3 trillion](#) in the coming years), banking for 2.5 billion of those who don't have access to a bank account, and generating funds from unlikely and 'small' funders (World Bank study shows that [crowdfunding market is expected to grow to \\$100 billion](#) by 2025) for social services. They can provide a part of the solution to address a financing gap many governments are facing in providing basic services and many are taking note- from the Center for Global Development's Owen Barder ([Innovative Financing for Development](#)), World Bank Group ([MOOC: Financing for Development](#)), and Nesta ([8 trends in alternative finance](#)) and UNDP's work in this field which includes a 2012 discussion paper on [Innovative Financing for Development](#), establishment of the [Social Enterprise Facility](#), and setting up a [Crowdfunding Academy](#) for the civic sector and development.

Achieving the SDGs alone according to UNCTAD's World Investment Report will require \$3.9 trillion per year between 2015 and 2030 for health, education and infrastructure- leaving a \$2.5 trillion annual shortfall relative to the current and forecast commitments of \$1.4 trillion. For the ECIS context, these can provide a necessary lifeline for the local and national governments to pull various sources of funding toward designing and implementing public services. The governments in the ECIS regions have not systemically began exploring the potential of various financial mechanisms for this purpose and arguably their ability to strategically mobilize various sources of financing for social good remains underutilized even though many countries around the world are dealing with fiscal crises and rolling back many essential services. **AltFin** can help leverage public funding to mobilize various new sources of investment (private and venture capital, P2P lending) for public policy related to the SDGs, while at the same time realigning interests of various partners and creating new investment opportunities.

1.3. Lessons Learnt and Outlook

The new stage of the partnership with UNDP will help address the key lessons learnt during the previous phases of cooperation and charter new space to establish Slovakia as a pioneering emerging donor in the region. These main lessons learnt and guiding findings are:

1. The need to ensure a long-term programmatic perspective for a selected country;
2. The complex nature of development challenges requires the use of nascent technologies and exploring the potential of digitization and data-driven development;

3. The citizen-led initiatives around data generation and use that at the moment aren't sufficiently linked up with and contributing to a design of more equitable public services and better evidence-based decision making;
4. The high demand for exploring and tapping into alternative sources of financing for development and public policy;
5. The need for knowledge and experience exchange with Slovakia, a country that has undergone a period of transformation;
6. The need to promote peer-to-peer cooperation between Slovakia and partner countries for the benefit of positive spillovers back to the emerging donor;
7. The importance of transparency, visibility and better promotion of Slovak ODA results and achievements among general and professional public.

1.4. Trends in the ECIS

The governance landscape in 2015 in the ECIS region includes a host of challenges and opportunities. Societies in the ECIS region are striving to improve governance, strengthen transparency and accountability, and adapt and endorse new technologies which that have an impact on people's lives. These efforts are also taking place in a time of unprecedented digital openness, convenience, and transparency in everyday life. In ECIS, demand for more governmental accountability and transparency, and more investment in public services and citizen-driven initiatives aimed at a range of development challenges are yet to be met. This is the message from the post-2015 consultations held across the countries in the ECIS region where the citizens demanded a more meaningful role in designing policies and services, especially evidence of this demand in the rural areas and among the marginalised populations.

In recent years, countries in the region have benefited from an upsurge in internet connectivity, the rise of citizen engagement in demands for good governance, digital activism and community-centered development. Responding to such trends, governments in the region are developing new open government policies and opening their data. Many of them have started this process, including as part of the Open Government Partnership and are facing challenges in achieving the desired outcomes: services tailored to the needs of citizens, lower misuse of and barriers to access public resources and decision-making, higher diversity and more competition in the private sector, and an overall better informed society. A number of countries in the region place further alignment and integration with the EU as their top priority which is also helping to drive reform efforts.

The trends in the ECIS region are analyzed under three sub-chapters: 1) Early results, 2) Partnerships and 3) Regional outlook. The early results in the implementation of open data activities in the region show the highest contribution towards improved governance, increased transparency and accountability.

1.4.1. Early Results

Technology can amplify the voices of citizens and enhance possibilities to hold governments to account. In Nigeria BudgIT shares information on government expenditure through social media to give citizens the information they need to discuss and engage in public expenditure debates. In Tanzania, Uwazi – part of the Twaweza group – seek to ‘liberate’ data and information so as to better inform public discussion. Examples are abundant in the ECIS region. The western Ukrainian metropolis, Lviv, published all of its annual USD 178 million municipal-level data visualized through this tool for both [revenues](#) and [expenditures](#). The **Serbian civil society lead Otvoreni Parliament** (Open Parliament) portal boasts 500.000 visits and nearly 2 million page views, while the Otvoreni Parliament online user community reaching 15.700 Facebook users, nearly 5.000 Twitter followers and 10.300 YouTube channel views. Prompted by the Open Parliament advocacy, Serbian Parliament started publishing transcripts from plenary sessions and voting records at the official Parliament’s website.

In societies where the scale of information held inside government grows exponentially with the rise of more advanced data collection systems, **access to data may be the only way for citizens to exercise oversight of government.** Albanian Information Society (AIS) [visualizes data](#) from the Albanian Treasury and follows with investigative reporting. AIS’ findings from the data have led to a landmark court decision to lift the

immunity of a Member of Parliament. Transparency International in Georgia and RISE in Moldova have also used open data to uncover corrupt practices within government.

Experience with innovative and data-driven tools shows that citizens can bring about transformative results in governance and development. The Ministry of Data, a regional public finance challenge for south-eastern Europe, which was organized in partnership with Slovak Ministry of Finance MF SR, demonstrated the demand and potential of initiatives that bridge citizen skills and government generated data. The pilot initiative gathered 38 applications, resulting in the winning of an initiative that simplifies large infrastructure projects into relatable concepts like schools or average salaries, using data from three countries in the region.

There are many more active citizen initiatives: [SciStarter](#) lists more than 600, many of which are based on mobile applications. In south-eastern Europe, the Be Responsible app from Montenegro has gathered over 5,000 civic reports of grey economy, has more than 4,000 active users, resulting in over 1,000,000 euros of imposed fines, and 500,000 euros invested in 10 socially responsible projects. In Kosovo⁶, one of the most trusted channels to report corruption is a [crowd-sourcing platform](#) which in three years has generated 5000 civic reports and over 350 articles in the media. About 300 cases have been channeled to rule of law institutions. Releasing municipal procurement data to the public in the Municipality of Gjakova was utilized for digital skill enhancement of over 100 young people and the findings from [the visualizer](#) were used for the city's private sector development strategy. In Uzbekistan, 104 000 citizens received access to clean water and fair bills as a result of implementing one-stop shops and data driven solutions. Georgia has supported a start-up [MyElva](#) which combined citizen-generated data with official statistics and information to track issues ranging from social peace index, public health, to monitoring elections and generating citizen input for development planning. The former Yugoslav Republic of Macedonia combines citizen data with weather and traffic data to [design intelligent urban planning](#) apps and reduce emissions of CO₂. In the field of farming, it integrates real time weather and environmental data with citizen generated information on farming practices, and, through gamification, it [provides targeted advice to apple farmers on fertilization](#). UNDP supported several countries in [opening up their budget data](#) (Montenegro, Ukraine, Serbia) in an effort to enhance citizen engagement in both oversight and planning. Furthermore, UNDP contributed to the application of [new methodologies for real-time data collection for detecting weak signals of behavior and perception change](#) (Serbia, Kyrgyzstan, Montenegro, Georgia, Belarus, Kosovo, Tajikistan, Yemen, Afghanistan). In four countries, UNDP has also collaboratively set up innovation labs where the Government plays either a leading or co-owner role. In each case, the labs have proven an effective mechanism to engage with the citizen. Having said this, experience shows that the weakest link to date has been integration of citizen-generated data into the design and delivery of public services.

1.4.2. Partnerships

UNDP coordinates the regional node of the Open Data for Development (OD4D) programme, the Open Data in Europe and Central Asia (ODECA) platform. ODECA's mandate includes networking with existing practitioners from institutions and civil society, including tech activists; knowledge sharing on good practices and lessons learned within and beyond the region; and promotion of experiences from the region at the global level through cooperation with OD4D and other global networks. The platform is an opportunity to showcase and promote the work that is being done in the region to a global audience. UNDP can count on a wide range of international partners, including the **World Bank, School of Data and the Open Knowledge Foundation, as well as the Slovak government.**

UNDP is also a well-established player in individual countries in the ECIS region. It conducted Open Data Readiness Assessments (ODRA) and mapping of existing datasets, horizontal and vertical partnership building within the Government, engagement with different interest groups through activities like sub-regional innovation challenges in the Western Balkans or hackathons and bootcamps in Serbia, Kyrgyzstan and Kosovo, and **networking and exchanging experiences with participants from other countries in the region.**

⁶ All references to Kosovo are made in the context of UN Security Council Resolution 1244 (1999).

1.4.3. Regional Outlook

Open data can contribute effectively to transparency and accountability, evidence-based policy-making and to the targets of the SDGs. Successful implementation of open data initiatives requires the following conditions: relevant and timely data, such as data on public procurement or company ownership, need to be available; active civil society that is capable and willing to use open data to hold the Government to account needs to be in place; and, open data initiatives that are building capacities of the civil service to facilitate data publication and re-use of data within the government need to be launched.

The region is generally on a democratizing and pro-growth trend and open data is viewed favorably across the different sub-regions, including south-eastern Europe, the Caucasus and Central Asia. Policy-makers in the region are expressing increased interest in the topic, which showcases the appeal and endorsement that open data is receiving in countries as diverse as Serbia, Ukraine and Uzbekistan. Serbia has integrated parts from its ODRA in the e-governmental strategy; Ukraine has developed an open data policy; and Uzbekistan is in the process of finalizing its open data strategy.

As for alternative financial mechanisms, though their penetration in the ECIS region remains limited, their potential could be invaluable, which is why more research into the topic is needed. The crowdfunding market is slowly emerging as one of the most popular mechanisms to generate funds for a variety of social good projects. At the same time, the actual amount of mobilized funds remains limited as compared to global averages (eg. [none of the countries is among the top 20](#)). The impact investment market is thus far focused on the first generation type of investment (social entrepreneurship support through low cost of micro loans). Yet good examples are fast emerging: the first [ethical bank in the region](#) as set up late last year in Croatia. Digital currencies are beginning to make inroads into the region with the University of Nicosia being the first global university to accept [tuition payment via BitCoin](#), and a variety of [restaurants and points of sales with ATMs springing up](#) in the South Eastern Europe. At the same time, there are ample potential test cases for alternative finance in the region: for instance, it features two of the world's top dependents on remittances (Tajikistan and Kyrgyzstan) where a variety of impact investment, equity crowdfunding, mobile money, blockchain and smart remittances (outfits like [HomeString](#), [FundSurfer](#)) mechanisms could provide a source for better targeted investment as well as reduce the overhead costs of transaction and draw the private sector into the realm of the public services.

II. EXPERIENCE OF SLOVAKIA AND LESSONS LEARNED

2.1. Slovakia's Experience with Innovation in Governance

Slovakia has undergone a period of social, economic and political transformation and accumulated a substantial body of know-how and experience. Over the past two decades, the country has graduated from a centrally planned economy to a free market one, topping a decade of political and economic reform by becoming one of the fastest-growing countries in Europe. Yet, at the same time, Slovakia continues to grapple with challenges common to UNDP's client countries in the ECIS region, including open government, data-driven and evidence-based policy-making or financing for development at home, given lingering regional disparities. Therefore, UNDP's strive to strengthen the partnership with Slovakia is motivated by two factors: Slovakia can not only serve as a good example that ECIS partners can aspire to but also as a "live" source of lessons learned that it can continue to share on a peer-to-peer basis, thus transcending the traditional donor/beneficiary divide and intensifying knowledge exchange within the ECIS region.

Slovakia also commands a solid track record with regard to open data. ECIS partners could draw on experience with:

- 1) **Setting up the Central Register of Contracts (CRC), which put all public procurement contracts online, an open government data portal and a [governmental bidding site](#).** The CRC enables citizens to monitor the allocation of state funds but also links the contracts' validity to

transparency, as none of them are “in effect” or can be enforced if they are not public. The Register is the highest-ranked transparency-related measure by experts, and non-governmental organizations alike. Capitalizing on the Register, Slovakia has also launched the Open Government Data Portal “data.gov.sk”, which aims to provide the citizens with an intelligible one-stop-shop for public sector data. More recently, the country has also piloted an electronic marketplace for contracts below a certain limit (134.000 EUR or 5.186.000 EUR for construction works) in an attempt to promote even greater transparency and more competitive bidding in public procurement. Since its inception in September 2014, over 440 consumers and 450 suppliers have registered on the marketplace. Slovakia’s efforts on the open data front do not end here: the country’s Finance Ministry is currently striving to upgrade its open budget policy by publishing more granular, transaction-level data on its Open Budget portal, and possibly also launching a mobile application that would enable the citizen to access the Budget Information System (BIS).

- 2) **Strengthening and curating the support and activism of civil society for utilizing data for social good.** In Slovakia, civil society orchestrated the momentum that led up to the establishment of the CRC by the Government. As a next step, leading CSOs, including the Fairplay Alliance and the local branch of Transparency International, helped turn the data that was made available via the CRC into information to promote data literacy and citizen engagement. Their efforts have already borne the first fruit: a national in-person survey conducted by Transparency International found that by 2015, 11% of adult Slovaks claim to have looked up a receipt or contract.⁷
- 3) **Engaging communities of innovators and startups in public sector innovation projects seeking to enhance, transparency and promote good governance.** Bratislava, in particular, has a vibrant startup ecosystem with major players from the government (line ministries and the Finance and Foreign and European Affairs Ministries) as well as the private sector (Neulogy Ventures, Tatra Bank, ESET Smart Security, Google Slovakia, O2, etc) supporting innovative entrepreneurs from all over the country. Slovakia has its annual Startup Awards and has also teamed up with fellow Visegrad countries (Poland, the Czech Republic and Hungary) to create stronger branding for its startups in Silicon Valley, opening up a “Visegrad House” in 2015. The ecosystem has already produced its first success stories, which serve as inspiration for newcomers, such as the country’s showcase company and global leader in proactive digital protection, ESET Smart Security or Sygic, the world’s most installed offline navigation app. Slovakia’s startups are heavily tilted towards IT, which makes the innovation community a viable channel for open data and good governance projects. The flagship companies are already jumping on the transparency bandwagon – e.g. ESET Smart Security launched a [“Stop Corruption” foundation](#).
- 4) **Prioritizing open data in foreign policy and development cooperation, as demonstrated by organizing the Ministry of Data, an open data challenge targeting Slovakia’s long-time partner region (South-east Europe).** The challenge sought innovative solutions enhancing citizen engagement in public finance management. Relatewith.it, the winning application, translates large governmental investments into relatable concepts (cars, average salaries, schools). Initial feedback has been very positive. There has already been interest in replicating the application in TfyRoM and presenting the pilot at the World Bank’s LLI (Leadership, Learning, Innovation) institute.

The ongoing efforts between the Slovak Government and UNDP on **using open data as a mechanism for strengthening accountability, transparency and a more efficient way of investing public funds has opened up a possibility to explore the opportunities for using various sources of data for better service provision and policy making.** While there have been a lot of expressions of intent to tap into the data revolution for more effective policy making, there has yet to be considerable progress in translating it into practical results on the ground. With this initiative, we propose to experiment and pilot the application of various sources of data –government data, private sector data and citizen generated data - in the interest of more equitable governance institutions and service delivery, effective policy making and decision making on public finance management and other public policy portfolios, as well as sustainable development.

⁷“Open Government: Slovakia.” Innovations for Successful Societies. Princeton University, 2015

2.2. Overview of Partnership with Slovakia

Since early 2000s the Slovak Republic has undergone a full transformation from recipient to provider of development assistance. The key milestones in this process have included the accession to the EU in 2004, the creation of the Slovak Agency for International Development Cooperation (based on the 2007 Act on Official Development Assistance), and, finally, accession to OECD-DAC in September 2013.¹ In the past decade, development assistance has become an effective tool and an integral part of the Slovak foreign policy. Institutional and legislative framework was built and political and operational mechanisms were set up. Since 2003, the country also started introducing a more programmatic and systematic approach to aid, including by adoption of two medium-term ODA strategies (2003-2008 and 2009-2013); and launching the first ever programmatic cooperation initiative (by the Ministry of Finance) – the Public Finance for Development programme.

UNDP, earlier through its Regional Centre and now through the Regional Hub for Europe and the CIS⁸, has been cooperating with new EU member states as emerging donors since 2000, providing them with knowledge about development, assisting them with the establishment operational mechanisms and procedures, offering extensive network of country offices, and serving as reliable partner in building development partnerships and capacities.

UNDP's partnership with the Slovak Republic has been the largest of its kind in the region. Before 2014, this partnership consisted of two main initiatives: supporting ODA delivery and capacity building through the Slovak UNDP Trust Fund; and supporting public finance management reforms in partner countries through the Public Finance for Development Programme. Based on the results of these two initiatives, in 2014 Slovak Republic and UNDP formulated a new programmatic framework – the “Slovakia – UNDP Partnership for Effective Development Cooperation (SPEDC) “– which is ongoing and covers both the support to public finance management reforms in target countries and a broader set of programmatic, knowledge sharing and capacity building activities with Slovakia as donor. The initiative is currently scheduled to be completed at the end of 2016, with a possibility of extension, subject to additional consultations between the Slovak government and UNDP.

III. STRATEGY

The initiative is grounded in the UNDP Strategic Plan, the Global Goals, the Data Revolution report and UNDP's ongoing work, including in partnership with Slovak Government, and the challenges being witnessed in the region. These challenges prevent local communities from making the most use out of the data they open, enabling an environment where the private sector can use the data for spurring of innovation, and limit the potential of open data to improve efficiency and transform decision-making. **These challenges include the insufficient number of data sets made public, low level of awareness about the potential of data, practice being ahead of the current business processes and regulation, low levels of data literacy among both citizens and the public sector, lack of regional benchmarks, lack of connections between the data suppliers and data users, divisions within data users, low quality of data released, lack of sex and other groups-disaggregated data, and inadequate engagement with loose groups of citizens.**

Smart citizen labs are proposed as the answer to a set of challenges that particularly pertain to engaging with the citizens and the private sector on data collaboration. Through these, the project will invest in data literacy, particularly of young women and girls, identification of existing investment in data collaboration with the citizens groups (be they loose networks, NGOs, private sector or other groups), exploration of the meaning of data for women and the most marginalized in the society (in an effort to better inform, design and deliver public policies including gender-responsive policies), implications for the real time measurement of SDGs in those countries where the Labs are set up, and facilitation of entirely novel data interactions between citizens and governments. Lastly, the Labs are intended to be a two way vehicle for both: i) supporting local level engagement and inspiring local level initiatives based on the regional work

⁸ Located in Bratislava until June 2014, and currently in Istanbul, Turkey.

done through the Ministry of Data and ii) feeding the local level policy priorities thus identified (i.e. issues that generate citizen interest and initiative) back to local level institutions to produce real citizen-inspired policy outcomes.

In this context, data is collaborative by nature and the success of data-based initiatives is largely dependent on engagement across different sectors of society – including government, private sector, civil society, and specifically the civic tech groups and loose networks of citizens who invest their time and resources toward the greater good. As UNDP's approach to collaboration is international, UNDP will strengthen existing partnerships with the World Bank, Open Data Institute (ODI), Open Knowledge Foundation (OKF), School of Data, and the Open Data for Development (OD4D) programme, as well as expand the range of partners to include key Slovak and global stakeholders: e.g. ESET Smart Society, Fairplay Alliance and Slovensko Digital on anti-corruption, governmental partners on procurement, the GovLab on knowledge creation, NESTA on open data challenges, and the Engine Room on citizen generated data. Specific focus through the Smart Citizen Labs will be tapping into existing citizen-generated data efforts and investing in broader citizen digital literacy in order to expand the source and scope of data that can feed public policy.

The theory of change that underpins this initiative is as follows:

1. Opening digital data lowers the cost of accessing information, which includes information about what the government is doing;
2. Increase in data access and literacy among citizens is likely to i) lead to a better understanding of the governmental processes, higher involvement in and influence of policy making and in demanding higher accountability, and ii) citizen empowerment to generate solutions to the issues they face, to generate greater public good across a variety of domains (sustainable consumption and production, employment, etc), and iii) better collective intelligence of the government itself by tapping into new, citizen-generated sources of data;
3. Citizens and interest groups provide more substantive input towards policy-processes;
4. Governments face higher pressures to undertake evidence-based policy-making and do so.
5. Governments' ability to tap into citizens' data-related initiatives and sources is likely to make investment of public resources more effective and targeted, and increase oversight, transparency and accountability in policy implementation.
6. Societies become more prosperous and cohesive, as a result of better targeted policies and higher civic engagement.

This initiative will focus systematically on a few specific topics and target countries where demand and high potential for impact is demonstrated, with a specific focus on countries from the Western Balkans (e.g., Serbia, Kosovo, Montenegro), Black Sea region (e.g., Ukraine, Georgia and Moldova), and a lesser one on Central Asia (e.g., Kyrgyzstan), with the Global Goals in mind. It will:

- Involve a wide range of partners, institutions, civil society, UNDP Country Offices, Slovak NGOs and private sector, organizations working with data, academia, hybrid outfits and international organizations;
- Support innovative forms of data generation and use to strengthen good governance, improve service delivery and boost economic development; facilitating citizen-driven change in partner countries through nascent technologies;
- Create and grow forums for learning and sharing experiences within and between countries in the region, and codify the knowledge into lessons learned and good practices to be shared in the region and in international networks.

The desired objective of the project is:

Partner societies in the region are able to harness the potential of the data revolution for improved governance and sustainable development in line with the 2030 Agenda and the SDGs, through the use of new technologies and innovation.

To help achieve this objective, the project will over the course of two years, provide support to the Slovak government in fulfilling four key outputs:

1. *Public sector institutions in the ECIS region enhanced knowledge and skills to use data for good governance and social impact.*

2. *Citizens in the ECIS region enabled to generate and use data that could strengthen design and delivery of a wide range of public services.*
3. *Regional and national entities, leaders and groups enabled to learn from each other, collaborate and share expertise in these areas.*
4. *National counterparts and citizens enabled to apply a range of alternative financing mechanisms for policy, social service delivery and development.*

The achievement of these outputs will be guided by recipient countries' needs, the Global Goals and geographical priorities of Slovak ODA:

- Focus on South-eastern Europe, Eastern Europe and the Central Asia region;
- Create conditions for increased engagement of different stakeholders in development cooperation (civil society, private sector, academia, civic tech, multi-disciplinary outfits);
- Introduce comprehensive monitoring and evaluation framework;
- Enhance aid transparency in line with the Busan commitments in development cooperation effectiveness, IATI and raise support of public for SlovakAid activities.

The foreseen mechanisms for implementation of the initiative are technical support to UNDP Country Offices, competitive micro-capital grants (MCGA), civic challenges – in particular scaling up of the Ministry of Data, regional knowledge exchange events and codification of emerging best practices. The role of UNDP Country Offices is to implement local initiatives, while the Istanbul Regional Hub (IRH) using its Open Data Network (ODECA) will be responsible for overall coordination of the initiative, management of the regional and sub-regional activities and active support to the COs in implementation.

The proposed project is related to Outcome 2 “*Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance*” of the UNDP Regional Programme for the period 2014-2017. The Regional Programme seeks to contribute to four development outcomes by innovative and issue-based cross-thematic programming and application of risk and knowledge management, capacity development, gender mainstreaming and partnership approaches. Specifically, the Output 2.1. under the Outcome 2 of the Regional Programme which states “Institutions and systems enabled to address awareness, prevention and enforcement of anti-corruption measures across sectors and stakeholders” and aims to support implementation of the UN Convention Against Corruption (UNCAC) and the Open Government Initiative (OGI) by organizing inclusive consultation processes around national self-assessments and other national-level mechanisms in response to countries' demand

The sustainability of the project, which builds on the experience of the ODECA platform, ECIS' embrace of the innovation agenda and the results and lessons learnt of the previous partnership between Slovak Republic and UNDP, will be ensured through:

- Close involvement of the beneficiaries in the design of specific programmatic interventions in the partner countries, including via the consultation with UNDP COs and application of user-centric methodologies in defining problems;
- Regular knowledge sharing with all concerned stakeholders, to ensure that the projects results are clear, appreciated and assessed positively, and thus contribute to the strengthening of the Slovak ODA system as well as enhanced knowledge and coordination within the emerging donors network and international development community.

The programmatic strategy for each of the outputs is briefly presented in the following sections.

OUTPUT 1: PUBLIC SECTOR INSTITUTIONS IN THE ECIS REGION ENHANCED KNOWLEDGE AND SKILLS TO USE DATA FOR GOOD GOVERNANCE AND SOCIAL IMPACT

The guiding principles in creating smarter governments, institutions and citizens will be: **1) all data generated through the project will be open data, 2) local solutions to local problems but with global knowledge, and 3) collaboration.** Except for matters of national security or privacy, all data generated through the project will be open by default. This refers to project related data and the support to national counterparts in improving their systems. The project will promote hyper-local solutions and support to the

local open data ecosystems, including grassroots networks of women software engineers, but also through engagement with the global open data ecosystem and thus creating opportunities for structured and unstructured digital skill enhancement at every level. Having datasets online will not inevitably lead to more data-driven policy-making. The success of open data initiatives rests on the possibility to bring together different groups of people with varied skills –governments, technologists, social scientists, journalists, private sector, advocates and scientists.

These two **levels of engagement** in Outputs 1 and 2 do not stand alone, but are integrated and intersecting.

Building on the principles laid out in the open government movement, smart government goes one step further by strengthening the data aspect, and adding data **literacy, interoperability and standardization**. This strand will focus on improving data literacy in governments and institutions, including parliaments, identifying public policy issues and using data to address them, raise awareness in the governments and institutions about other sources of data, and support governments and institutions in improving their data collection systems and doing so in line with established standards. It builds on current UNDP efforts in this area in Serbia, Moldova, Kosovo, Montenegro, Albania, Georgia, Uzbekistan, Ukraine, and Kyrgyzstan.

To deliver smart institutions (Activity Result 1.1.), UNDP, governments, civil society, and other partners will focus on:

- Using data to address governance and other thematic challenges (i.e. public procurement, public financial management, gender-responsive budgeting) in decision-making and the provision of targeted, equitable and effective services to citizens in at least 5 countries in the ECIS region, through engagement of citizens and civic-tech groups, including women in tech initiatives;
- Strengthening data literacy among government staff, institutions and parliamentarians, engaging men and women equally, in at least 5 countries at national and/or local levels– including open data, real time monitoring, big data;
- Developing capacities among the government staff, institutions and parliamentarians in at least 5 countries to engage with and harness the power of citizens through digital technologies and human centered design methodologies for a more equal and efficient public financial management, gender-sensitive service provision and policy making;
- Exploring the potential of various sources of data for more effective governance and provision of more equitable and evidence based public services;
- Using international principles (International Open Data Charter (IODC)), open contracting standards and the generated knowledge to improve systems of collecting and using data within at least 3 governments;
- Using gender disaggregated governmental data and data from other sources to track progress of the Sustainable Developmental Goals, based on the 2030 Developmental Agenda, in at least 3 countries.

Engagement with national counterparts will be based on a fully transparent competitive problem-based micro-capital grants scheme (MCGA). Institutions will be requested to present their business-case, engage in a participatory process and cost-share in the development of the solution. UNDP will ensure provision of support to governments based on the scale of the public policy problem at hand and contextualized to the local conditions.

OUTPUT 2: CITIZENS IN THE ECIS REGION ENABLED TO GENERATE AND USE DATA THAT COULD STRENGTHEN THE DESIGN AND DELIVERY OF A WIDE RANGE OF PUBLIC SERVICES –

The smart citizen movement is an emerging trend of new generations of technologies that use data to coordinate, analyze and target citizens' efforts and skills into solving pressing social issues. Solutions to current development challenges are no longer only in the sphere of influence of decision-makers. Nascent tools place unprecedented power in the hands of people. Mobile phones, wearable technologies, and low-cost sensors present abundant opportunities to understand and influence the environment around us. The [Forestwatchers](#), for example, proposes a new paradigm in conservationism based on the convergence of volunteer computing with free (or donated) catalogues of high-resolution Earth imagery. The project will enable it for anyone, anywhere in the world, to monitor selected patches of forest across the globe, almost in real-time, using a notebook, a tablet or a smart phone connected to the Internet.

Towards the smart citizen, UNDP and Slovak partners would invest in:

- Increasing data literacy and digital skills of citizens, with a particular focus on young women and girls, in key countries marrying work with government and institutions.
- Supporting smarter ways of collecting data (crowdsourcing data, wearables, mobile phone, and other sources of new data) - use of low cost sensors, mobile phones and other technologies to measure and create maps of environment.
- Exploring the intersection of the new data and vulnerable groups, with the implications for measuring the SDGs within countries.
- Supporting smarter ways of making decisions (collective intelligence)- new digital tools enable citizens, in particular women and girls, to play a more active role in participatory-policy making and by extension more effective design and delivery of gender sensitive public services.
- Supporting smarter ways of using resources (collaborative economy) - connecting distributed groups of people using internet and digital technologies to make better use of goods, skills, space, data and other underused assets (eg. peer-to-peer lending, challenge prizes targeted around specific socially relevant issues, etc).

In order to ensure the linkages between the work on increasing digital literacy of the public sector and digitizing government-generated data and the citizen-generated data and initiatives, this output foresees establishment of smart citizens labs as spaces for collaborative learning and experimentation of new ways of policy design, service delivery, generation of income and jobs. Overall, smart citizen labs are envisaged as places for all sectors of society to explore the potential of data, open platforms and digital development for improvements in people’s livelihoods, and at the same time tracking the impact and responding to new developments on the ground. Very specifically, the labs will provide a space for exploring how peer to peer sharing of goods and services, alternative finance methods for public spaces and social good, place based networks and community forums, public and other sources of new data, and civic engagement can contribute to sustainable human development in a very tangible manner.

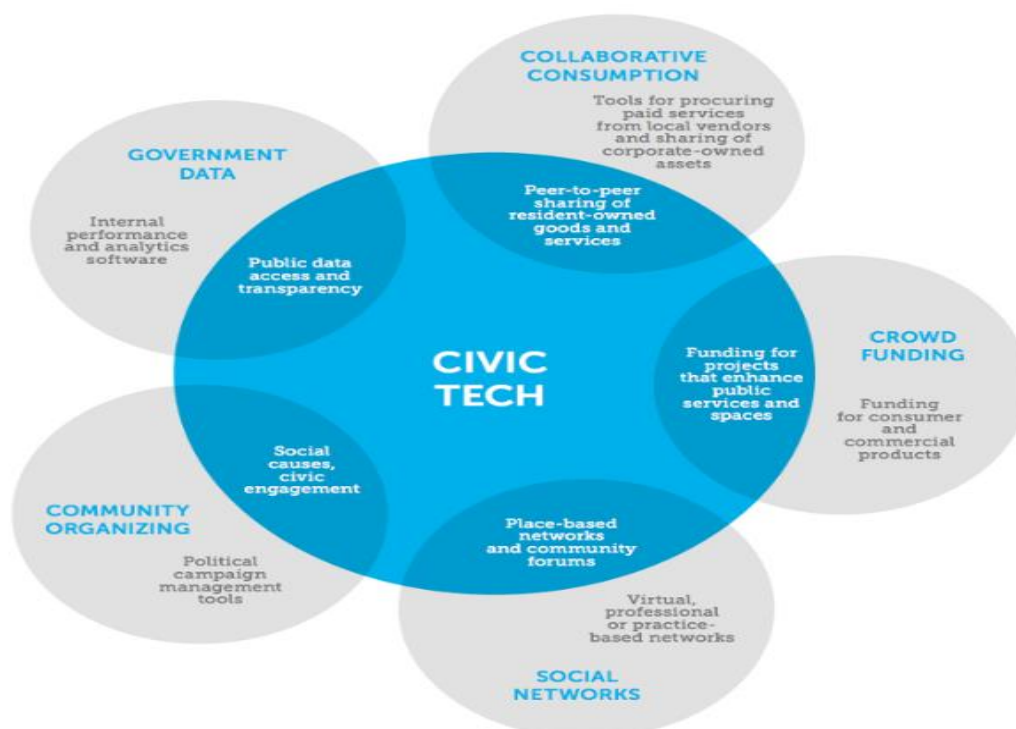


Image from the 2013 Knight Foundation report "The Emergence of Civic Tech"

OUTPUT 3: REGIONAL AND NATIONAL ENTITIES, LEADERS AND GROUPS ENABLED TO LEARN FROM EACH OTHER, COLLABORATE AND SHARE EXPERTISE

In the recent years, we have witnessed an upsurge in interest to explore the potential of data for inclusive governance, development and spur innovation. 11 out of 20 countries in the ECIS region are

members of the Open Government Partnership (OGP), and so are all countries which have joined the EU in the last 3 waves of accession. OGP entails a commitment to implement national obligations towards improved transparency and accountability, higher citizen engagement, more efficient public services and use of new technologies and open data to drive sustainable development.

While the practice of open data is becoming widespread and the potential impacts and benefits of open data are frequently discussed, evidence on the actual release, use and impact of open data remains limited and fragmented. To tackle this evidence gap, a range of different efforts have emerged to measure the various aspects of open data, yet little coordination exists among them.

UNDP recently conducted the first open data impact assessment for the ECIS region, which found that 14 countries in the region provided some type of open data. The report has not been published yet, but preliminary findings demonstrate the potential of open data to support more inclusive governance. In all three country case-studies, interviewees stated that the availability of government data in open formats made governance in their respective countries more transparent.

The ECIS region is still behind other regions in terms of its knowledge and best practices exchange on implementation of open data and initiatives remain undocumented and analyzed. To promote learning across the initiatives in this project and also among the practitioners of open data assessments, UNDP will promote networking of researchers and connecting researchers from the ECIS region to the ones that participated in the 2014 Common Assessment Methods workshops. Following the general assessment, in the next years UNDP will conduct domain specific assessments based on the developments in the region.

The proposal is underpinned by the understanding that addressing developmental and public sector challenges requires a multi-disciplinary and multi-sectoral approach. Regional events and knowledge sharing activities will serve as a forum for building bridges of communication and exchanging ideas between different communities of producers and users of open data. Policy-makers will learn about civil society activities and the different uses of open data from the civic and private sectors. Similarly, civil society and private sector, in particular tech-startups, will interact with decision-makers to understand the data, the challenges of the public sector and support innovative undertakings.

Towards a smarter regional platform, UNDP and Slovak partners would invest in, including through ODECA platform and the Ministry of Data to:

- Support regional learning and sharing through forums for knowledge exchange including open data re-users among civil society and journalists and the established open data network.
- Support to regional initiatives that bring synergies, solutions and learning across the results of institutional and citizen outputs above, including collaborative design workshops, networking activities, regional and sub-regional challenges and labs.
- Regularly track the supported initiatives to capture lessons and societal outcomes, and codifying those for wider distribution and responsiveness of initiatives.
- Annual open data impact assessment outlining the progress and experience of successful open data initiatives in the ECIS region.
- Support regional input to global assessments of the state of open data which place the region vis-à-vis other countries, such as the Open Data Index and the Open Data Barometer;
- Update of the knowledge sharing website and bi-monthly regional/sub-regional webinars on open data related topics based on the demand from government and related institutions.
- Showcasing of regional experience at global events – such as the International Open Data Conference, the Conference of State Parties of the United Nations Convention Against Corruption, the OGP Summit and similar.

Means of implementation for these activities are:

1. Annual Data Conference in the ECIS region,
2. Regional and sub-regional hands-on workshops and innovation initiatives (Challenges, Labs etc.) based on identified challenges and interest;
3. Sub-regional events for open data re-users, civil society and journalists;
4. Webinars;
5. Easily comprehensible tracing the impact of open data in the region;

6. Regular website updates about progress, developments in the region and showcasing champions;
7. Showcasing of regional experience and examples, such as Ministry of Data, at global events.

OUTPUT 4: NATIONAL COUNTERPARTS AND CITIZENS ENABLED TO APPLY A RANGE OF ALTERNATIVE FINANCING MECHANISMS FOR THE BENEFIT OF POLICY-MAKING AND PUBLIC SERVICE DELIVERY

The new finance mechanisms (**AltFin**) have been growing over the last few years both in terms of their market size, their operations and the way they serve those in developing countries, from **equity based crowdfunding and P2P to alternative currencies, smart remittances, impact investment, payment for results, and mobile money**. These can provide a part of the solution to address a financing gap many governments are facing in providing basic services. Achieving Sustainable Development Goals (SDGs) alone according to UNCTAD's World Investment Report will require \$3,9 trillion per year between 2015 and 2030 for health, education and infrastructure- leaving a \$2.5 trillion annual shortfall relative to the current and forecast commitments of \$1,4 trillion. This proposal builds on existing efforts to understand **AltFin's** implications for governments and international development including the Center for Global Development's Owen Barder ([Innovative Financing for Development](#)), World Bank Group ([MOOC: Financing for Development](#)), and Nesta ([8 trends in alternative finance](#)). UNDP's work in this field includes a 2012 discussion paper on [Innovative Financing for Development](#), establishment of the [Social Enterprise Facility](#), and setting up a [Crowdfunding Academy](#) for the civic sector and development.

Governments' ability to strategically mobilize various sources of financing for social purposes remains underutilized even though many around the world are dealing with fiscal crises and rolling back many essential services. The **AltFin** can help leverage public funding to mobilize various new sources of investment (private and venture capital, P2P lending) for public policy, social services and SDGs, while at the same time realigning interests of various partners and creating new investment opportunities. This initiative can support achieving one of the two objectives of the Slovak development cooperation efforts (**support of democracy and good governance**) and pursuit of its all seven sectoral priorities. It can position Slovak government globally as the donor who is not only exploring but engaging with new financial models for development with the ultimate results of designing alternative financial mechanisms that can scale across the region and beyond in pursuit of SDGs and provision of inclusive social services.

The work on this output will specifically focus on investing in and exploring both the innovation in **alternative financial mechanisms that provide new investment opportunities** (equity crowdfunding, P2P lending, blockchain) as well as innovation in **financial mechanisms that align actors in new ways** that leverage each partner's unique strengths while also meeting their respective risk/return expectation and needs (social/development impact bonds, payment for results, smart remittances). The result will entail developing and running a portfolio of experiments in the ECIS region that will cover a variety of **AltFin** mechanisms across in order to better understand their implications and the potential for financing public policies and development. This objective will be achieved through a 2-step approach:

- **Exploring various models of alternative finances by connecting to best-in-class outfits who have practical experience with their implementation.** At an R&D event in December 2015, ECIS Regional Hub will bring together those working on concrete initiatives using the **AltFin** mechanisms, and showcase its own efforts in designing social impact investment projects in Moldova, Belarus and Armenia.
- **Implement a portfolio of experiments in the region (working with UNDP COs and host Governments) to build hands on experience with applying AltFin mechanisms** in their own context and for purposes of addressing most pressing policy issues.

This project will, as a priority, explore most closely opportunities for various forms of social impact investment. Social impact bonds (SIBs) offer governments a way to fund proven preventative services without using tax funds; it offers non-profits with good evidence-based and project management record to access new streams of funding; and it offers private sector new investment opportunities. **Development impact bonds (DIBs)** evolved from SIBs with a main difference that instead of a government repaying investors, development finance and donor institutions do. **Payment for results** is a variant of the above

mechanisms where the client (eg. government) pays for services only at a point where agreed outcome has been achieved (eg. increase of tax receipts by 5% in a fiscal year). **Social impact investment** targets social, economic, and environmental return that works on a system level to raise quality of life of whole groups of people through coordinated intervention addressing a number of factors. **Examples include:** i) 1st DIB launched to [improve educational outcomes](#) in Rajasthan, India; ii) SIB to [reduce prisoner recidivism](#) in the UK; iii) Social impact investment to [reduce youth unemployment](#), to increase [community resilience](#), iv) Portuguese Government's [Social Impact investment fund](#)

Some of the other, specific examples of alternative finance that the work under this output will explore include:

(Equity and skills) based crowdfunding

World Bank [estimates](#) that crowdfunding market is expected to grow to \$100 billion by 2025, while equity based platforms have expanded by 410% from 2012-2014. Governments are slowly taking a cue, with [Danish central government pioneering the use of crowdfunding for supporting start ups](#) (companies who crowdfund approximately \$50,000 can seek matching funds from the government). The future of crowdfunding holds all the more promise for governments and communities worldwide **with the emerging trend including complementing raising funds with skills, expertise and volunteering hours**. **Examples include:** i) [AlliedCrowds](#): Analytics and data on crowdfunding in developing sector; ii) [Goteo](#) and [Fundsurfer](#): Mixing crowdfunding with distributed collaboration (crowdsourcing skills, volunteers, services); iii) [WeShareSolar](#): crowdfunding platform directed at community driven renewable energy projects.

Blockchain and alternative currencies

Internet enables us to call each other without a phone company or send a document without a mail carrier. Blockchain allows us to transfer money without a bank, write an enforceable contract without a lawyer, or turn a physical object like a ticket to concert into a digital asset that can be sold with low to no transaction fee. It is a decentralized public ledger of credits and debits that no one person or company controls. Any time someone makes a transaction- currency changing hands or a piece of information added to the network- it is recorded in the chain and can't be erased or altered. Consider the potential impact in eliminating the global cost of transferring remittances (7,68%) and reinvesting that into development (the World Bank [estimates](#) that cutting this by 5% alone can save \$16 billion annually). **Examples include:** i) [Start Network](#): conducting cash transfers via blockchain to citizens in humanitarian crises in an effort to eliminate transaction costs; ii) [Sardex](#): a complementary community currency in Sardinia; iii) [Provenance](#): tracking products' footprint for more effective resource efficiency; iv) [FollowMyVote](#): secure online voting platform for election transparency; v) Government of Honduras is building a [blockchain enabled digital land registry](#) to eliminate corruption; v) Isle of Man is [enforcing its anti money laundering laws via blockchain](#); vi) [Spanish Santander Bank](#): smart, self-enforcing contracts that self-execute (transparency and cutting costs on oversight and administration); vii) [Digital Social Currency Pilots](#)- currently being designed in Iceland, Italy, Finland and Spain

Smart remittances

In the ECIS region, remittances play a major role in reducing poverty (with Tajikistan and Kyrgyzstan among world's top remittance-recipients). Investing at least a part of this funding stream into early-stage finance that may facilitate entrepreneurship can support growth and emergence of new industries. **Examples include:** i) [Homestrings](#) provides investment opportunities for diaspora, previously only available to institutional investors and offers projects, funds, bonds or public-private partnerships; ii) [Emerging Frontiers](#) aims to connect willing diaspora and other financiers (through equity crowdfunding platform) with start-ups in developing countries and address the 'missing middle' of small businesses in the developing world; iii) [ThundaFund](#) and [Invest Africa](#) integrate investment of remittances and other sources of funds into entrepreneurship together with mentoring and technical support to local communities; iv) [SunFunder](#): offering investment in a portfolio of off-grid solar projects in developing countries.

P2P lending and investing

In crowdfunding and crowdsourcing, a centralized platform matches investors with projects. In a twist to that concept, the emerging trend is in citizens using social networks to connect directly with each other

and those in need. This isn't entirely surprising considering that some 2.5 billion people have [little to no access to banking or opportunities to borrow money](#). **Examples include:** i) [M-Pesa](#): mobile based money transfer and microfinancing services; ii) [M-Change](#): allowing people to use mobile money to crowdfund projects; iii) [Gridmates](#): enabling citizens to pay for someone else's energy bill, iv) [Vanderbron](#): enabling peer-to-peer purchasing of energy directly from the source (eg, a farmer producing renewable energy off the solar panels on the roof); v) [Energise Barnsley](#): community-owned energy platform; vi) [San Leandro schools](#): investment in education via civic microbonds; vii) [GiveDirectly](#): sending money directly to the extreme

IV. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Regional Programme Results and Resource Framework:				
UNDP Regional Programme for Europe and CIS (2014-2017) Outcome 2: “ <i>Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance.</i> ”				
<i>Output 2.1.</i> Institutions and systems enabled to address awareness, prevention and enforcement of anti-corruption measures across sectors and stakeholders				
Outcome indicators as stated in the Regional Programme Results and Resources Framework, including baseline and targets:				
Indicator 2.1. Number of countries with open access to data on government budgets, expenditures and public procurement				
Partnership Strategy The project will be implemented in close partnership with the governments and civil society of the beneficiary countries and other relevant stakeholders				
Project title and ID (ATLAS Award ID):				
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS ⁹
Output 1 Public sector institutions in the ECIS region enhanced knowledge and skills to use data for good governance and social impact. <u>Baseline:</u> <ul style="list-style-type: none"> ODRA reports from Serbia, Kyrgyzstan and Ukraine indicate low level of IT and data analysis skill in government as proxy for regional levels. There is no baseline for citizen generated data initiatives. 	<u>Targets (Year 1)</u> <ul style="list-style-type: none"> Data literacy programmes developed and piloted in three institutions, with a specific focus on equal participation of women and men 50 ideas received for citizen generated solutions to civic concerns. Data-driven collaborative solutions introduced to sectoral challenges. 	<u>Activity Result 1.1.: Institutions utilize data to address inclusive governance and sustainable development problems.</u> <ul style="list-style-type: none"> Using data to address governance and sectoral challenges (i.e. public procurement) in the provision of targeted, equitable and effective services to women and men equally in at least 5 countries in the ECIS region; Strengthening data literacy among government staff, institutions and parliamentarians (equally women and men), in at least 5 countries at national and/or local levels, based on demand– including open data, real time monitoring, big data. Developing capacities among the government staff, institutions and/or parliamentarians in at least 5 countries to engage with and harness the power of citizens through digital technologies and human centered design 	UNDP Regional Hub	Project technical advise Miscellaneous Travel International/Local Experts MCGA/Grants to Institutions IC/PS contracts Programmable amount: 432,630 USD

⁹ All financial accounts and statements shall be expressed in United States dollars. The budget of the project will be expressed in US Dollars, and will be adjusted following the conversion of the contributions in Euros received from the donor based on the UN Official Exchange Rate at the date of receipt.

<ul style="list-style-type: none"> Limited interaction between institutions and citizens in data-driven problem-solving. <p><u>Indicators:</u></p> <ul style="list-style-type: none"> # of people with improved data literacy, with equal gender representation. # of citizen generated data-based solutions. # of active users of solutions developed through co-creation. 	<p><u>Targets (Year 2)</u></p> <ul style="list-style-type: none"> Data literacy programmes introduced in 8 institutions. Three social issues addressed through citizen generated solutions issues. Co-created solutions are sustainable and have at least 1000 active users. 	<p>methodologies for a more equal and efficient public financial management, service provision and policy making.</p> <ul style="list-style-type: none"> Using international principles (International Open Data Charter), open contracting standards and the generated knowledge to improve systems of collecting and using sex and other group disaggregated data within at least 3 governments Using governmental data and data from other sources to track progress of the Sustainable Developmental Goals, based on the 2030 Developmental Agenda, in at least 3 countries. 		<p>Year 1 – 200,000 USD Year 2– 232,630 USD</p>
<p>Output 2 Citizens in the ECIS region enabled to generate and use data that could strengthen the design and delivery of a wide range of public services.</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> No smart citizen labs focused on citizen-generated data related initiatives Ongoing efforts in 4 countries to engage with ‘networked youth’ on, among others, data related initiatives (Armenia, Georgia, Belarus, Ukraine) No known efforts to explore the intersection of new data and vulnerable groups (both from the perspective of measuring various human development indicators and using data for achieving social good) <p><u>Indicators:</u></p>	<p><u>Targets (Year 1)</u></p> <ul style="list-style-type: none"> Setting up of at least 1 smart citizen lab initiated. Digital literacy programs for vulnerable groups rolled out in at least 2 countries, especially young women and girls An inquiry on intersection of data and vulnerable groups completed. <p><u>Targets (Year 2)</u></p> <ul style="list-style-type: none"> At least one smart citizen lab fully functional. At least 3 new collaborations between public sector and forward looking citizen-led 	<p><i>Activity Result 2.1.: Increasing data literacy and digital skills of citizens in key countries marrying work with government.</i></p> <ul style="list-style-type: none"> Supporting smarter ways of collecting data (crowdsourcing data, wearables, mobile phone, and other sources of new data) - use of low cost sensors, mobile phones and other technologies to measure and create maps of environment. Supporting smarter ways of making decisions (collective intelligence)- new digital tools enable citizens to get involved in policy making, budgeting and planning (realms previously exclusively left to experts) thereby making the process of democratic decisions making more effective. Supporting smarter ways of using resources (collaborative economy) - connecting distributed groups of people using internet and digital technologies to make better use of goods, skills, space, data and other underused assets (eg. peer-to-peer lending, challenge prizes targeted around specific socially relevant issues, etc). <p><i>Activity result 2.2: Supporting implementation of a portfolio of experiments on citizen-generated data and initiatives for social good</i></p> <ul style="list-style-type: none"> Identify at least 1-2 locations for setting up Smart Citizen Labs (the criteria to include strong national/local backing, vibrant civic engagement and 		<p>Project technical advise Hospitality and Special Events Grants to Institutions and Other Benf. Audio/Visual Production Travel International/Local Experts IC/PS contracts</p> <p><i>Programmable amount:</i> 431,120 USD</p> <p>Year 1 – 215,000 USD Year 2– 216,120 USD</p>

<ul style="list-style-type: none"> • Availability of a fully functional smart citizen lab • # of experiments on investing in citizen-generated data related initiatives for social good in 4 countries • # of data literacy initiatives focused on vulnerable groups especially young women and girls 	<p>initiatives in a range of sector under the auspices of smart citizen labs</p> <ul style="list-style-type: none"> • At least two experiments initiated on vulnerable groups and data for social good 	<p>ongoing citizen-led initiatives in the realm of data and social good). At least one lab to focus on Smart Citizen SDG monitoring.</p> <ul style="list-style-type: none"> • Design and roll out digital literacy initiatives within each location specifically aiming to scale and spread ongoing civic engagement data related initiatives to rural areas and among marginalized populations. • Conduct ethnographic inquiry in new data touch points among the vulnerable population with the objective to better understand the data different demographics generate, the data they interact with in order to design a more real-time measure of various indicators related to the specific demographic (eg. poverty, vulnerability, resilience) with specific focus on SDGs. • Exploring the potential of various sources of data for more effective governance, strengthening civic and other parts of the economy towards key development challenges such as reducing energy and CO2 footprint of the economy, more effective management of natural resources, and proactive disaster risk reduction and community resilience, based on the requests from the countries. 		
<p>Output 3 Regional and national entities, leaders and groups enabled to learn from each other, collaborate and share expertise.</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> • No regional meeting has taken place to provide forum for exchange of expertise . • First impact assessment of open data to be published end of 2015. <p><u>Indicators:</u></p> <ul style="list-style-type: none"> • # of regional initiatives to enable learning and expertise exchange 	<p><u>Targets (Year 1)</u></p> <ul style="list-style-type: none"> ▪ One regional conference and one sub-regional meet-up. ▪ Publish a regional open data assessment with citizen generated data. ▪ One sub-regional innovation initiative on SDGs and data <p><u>Targets (Year 2)</u></p> <ul style="list-style-type: none"> ▪ One regional conference hosted by a government and three sub-regional meet-ups. ▪ Knowledge product (toolkit) published summarizing 	<p><i>Activity Result 3.1.: ODECA platform is utilized for knowledge sharing and open data promotion within and beyond the region.</i></p> <ul style="list-style-type: none"> ▪ Annual conference for the OD4D in the ECA region, in order to take stock of the progress in the countries of the region and promote further engagement at the political and technical level. ▪ Support to regional initiatives that bring synergies, solutions and learning across the results of institutional and citizen outputs above, including collaborative design workshops, networking activities, regional and sub-regional challenges and labs (e.g, Ministry of Data). ▪ Annual open data impact assessment outlining the progress and experience of successful open data initiatives in the region. 	<p>UNDP Regional Hub</p>	<p>Project technical advise Travel Local/International Experts Hospitality and Special Events (Training) Challenge prizes Grants IC/PS contracts</p> <p><i>Programmable</i></p>

<ul style="list-style-type: none"> • # of knowledge products developed. • # of regional innovation initiatives. 	<p>lessons, practices and results of the initiative.</p> <ul style="list-style-type: none"> ▪ Two regional/sub-regional innovation initiatives on SDGs and data. 	<ul style="list-style-type: none"> ▪ Track regularly and analyze the progress and results of developed tools at the country levels and share good practices. ▪ Organize semi-annual sub-regional events for exchange of knowledge and networking for open data re-users among civil society and journalists. ▪ Bi-monthly webinars on open data related topics based on the demand from governmental institutions. ▪ Regular website updates about developments in the region and showcasing of champions. ▪ Showcasing of regional experience at global events – such as the International Open Data Conference, the Conference of State Parties of the United Nations Convention Against Corruption, the OGP Summit and similar. 		<p>amount: 273,880 USD</p> <p>Year 1 –133,440 USD Year 2– 140,440 USD</p>
<p>Output 4 National counterparts and citizens enabled to apply a range of alternative financing mechanisms for the benefit of policy-making and public service delivery</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> • Nascent crowdfunding market in the ECIS region; UNDP-established Crowdfunding Academy rolled out in Croatia and currently being rolled out for 11 UNDP teams worldwide • Applications of digital and alternative currencies, system’s financing, mobile money, P2P lending, social/development bonds virtually non existent <p><u>Indicators:</u></p> <ul style="list-style-type: none"> • # of crowdfunded civic projects, including addressing gender issues, launched 	<p><u>Target (Year 1):</u> At least 10 crowdfunded projects launched in 2016</p> <p><u>Target (Year 2):</u> At least 4 other alternative finance mechanisms prototyped</p>	<ul style="list-style-type: none"> ▪ Mobilizing community of alternative finance doers and practitioners: <ul style="list-style-type: none"> - Identifying emerging alternative sources of funding for policy and development - Collaborating with outfits and individuals applying the AltFin mechanisms to identify entry points in UNDP for prototyping ▪ Running portfolio of experiments in applying new alternative finance mechanisms for development. ▪ Producing a guidance note on how to close a gap between existing skills in policy/development and those needed to tap into alternative finance models. 		<p>Staff Travel IC/PS contracts</p> <p>Programmable amount: 228,230 USD</p> <p>Year 1 –114,100 USD Year 2– 114,130 USD</p>

• # new finance mechanisms prototypes in the ECIS region				
<i>Total (including project management & GMS)</i>				USD 1,499,968.80

Note: 15% of the programmable budget will be utilized towards enhancing women's skills, ensuring women's participation in project activities and in decision-making, and generating sex disaggregated data and gender sensitive statistics, to develop more gender-responsive policies and services.

V. MANAGEMENT ARRANGEMENTS

The project will be implemented by the UNDP's Istanbul Regional Hub for Europe and the CIS within the delegated Direct Implementation authority for the Regional Programme implementation, in line with UNDP's Programme and Operations Policies and Procedures (POPP)¹⁰ UNDP Regional Hub will act as the project implementing partner (agency). The implementation follows the principles of the Paris Declaration on Aid Effectiveness. The described modality is designed to ensure demand driven approach, ownership by beneficiaries, participation of stakeholders, capacity building in beneficiary institutions, focus on results, alignment with the national government priorities and harmonization with other donors.

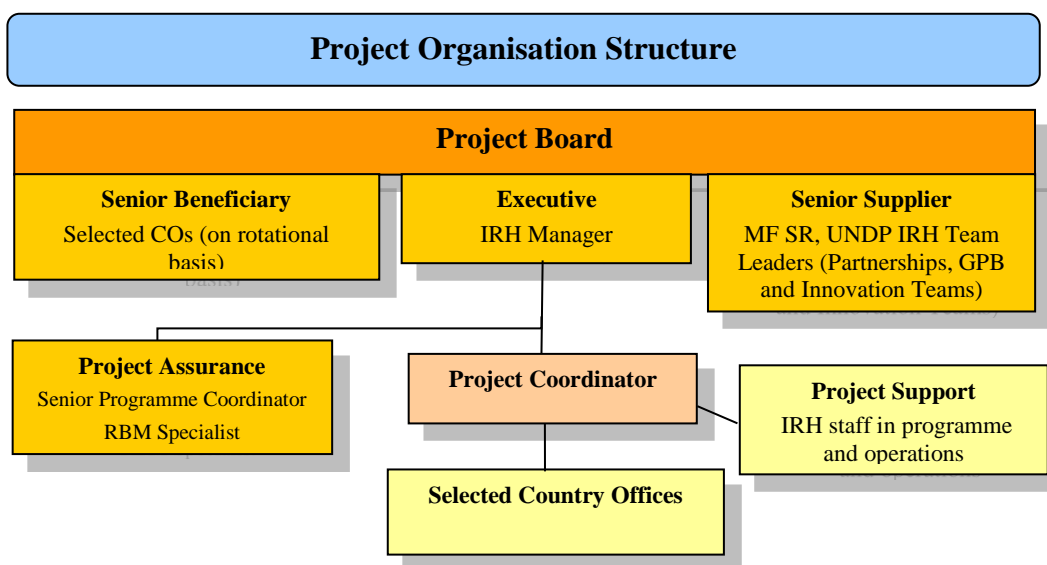
The project will be directed by a **Project Board**, chaired by the Istanbul Regional Hub Manager serving as Executive. The Project Board will be comprised of representatives of the Ministry of Finance of the Slovak Republic, a beneficiary national counterpart, and UNDP (representatives of IRH as Suppliers and UNDP COs as Beneficiary Representatives).

The Project Board is the group responsible for making consensus management decisions for the project when guidance is required by the Project Coordinator, including recommendations for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with corporate UNDP standards that shall ensure best value to money, fairness, integrity, transparency and effective international competition. In case consensus cannot be reached, final decision shall rest with the Manager of the Regional Hub.

The Project Board will:

- Provide overall leadership, guidance and direction in successful delivery of outputs and their contribution to outcomes under the programme;
- Be responsible for making strategic decisions by consensus, including the approval of project substantive revisions (i.e., changes in the project document);
- Approve annual work plans, annual reviews, and other reports as needed;
- Meet at least once a year (either in person or virtually) to review project implementation, management risks, and other relevant issues;
- Address any relevant project issues as raised by the Project Coordinator;
- Provide guidance on new project risks and agree on possible countermeasures and management actions to address specific risks.

The Project Board will meet bi-annually, with ad-hoc meetings organized as necessary, producing Minutes to be signed by all Project Board Members. The overall project oversight will be provided by a **Project Coordinator** who will report to the Governance and Peacebuilding Cluster leader overall and to the Innovation Team in relation to Output 2 & 4.



¹⁰ <https://info.undp.org/global/popp/Pages/default.aspx>

Figure 1: Project Organisational Chart

Project Assurance is the responsibility of each Project Board member; however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Coordinator; therefore the Project Board will delegate its assurance responsibilities to the Senior Programme Coordinator and RBM Specialist.

Specific project activities may be conducted by external contractors such as independent experts, civil society organisations (CSOs), academia and private sector following the UNDP's contracting rules and regulations.

Advisory Board will be established for the Project to provide periodic consultations on issues related to the project's strategic direction. Membership in the Advisory Board may be offered to experts from UNDP, the MF SR, private sector and civil society partners in donor and beneficiary countries, academia and to representatives of the beneficiary institutions.

VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with UNDP's Programme and Operations Policies and Procedures, the project will be monitored and evaluated through the standard formats prescribed in the POPP. The description below refers to UNDP's Enterprise Resource Planning (ERP) system called Atlas (which will be used for financial and operational management of the project).

Within the annual cycle:

- On an annual basis, the established project monitoring framework should be updated and progress recorded towards the completion of key results, based on the Enhanced project management module in Atlas (Activity Planned Results and Assessment page) and other requirements established by the Regional Hub as part of the regional project management set-up.
- An annual progress report, based on the above information recorded in Atlas, and the overall project progress, results, ongoing initiatives and budget balance, shall be submitted by the Project Coordinator to the Project Board including information on implemented activities, the extent of results achievement, financial report and proposal for changes in the planned activities or budget if relevant.
- An update consisting of results, ongoing initiatives, spending/balance sheet will be provided by mid-June to the Project Board each year.
- A risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation. The Project Coordinator is responsible for monitoring the risks and he/she should provide the status updates to the Project Board when applicable.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, informing PB and to facilitate the preparation of the Lessons-learned Report at the end of the project.
- An annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Field visits

Monitoring of project implementation will be conducted through field visits of Project Coordinator and Project Officer, Project Board members and/or Advisory Board members.

Visibility

Appropriate visibility, ensuring that the project's results are well communicated to respective audiences, will be assured by the Project Coordinator and Project Officer. Visibility activities for TGF will be guided by the Communication strategy to be approved by the Project Board.

Archives

Finance, HR related documents, arrangements and contracts are archived by UNDP for unlimited period. Project related documents – progress reports, work plans, etc. are archived for 5 years.

VII. LEGAL CONTEXT

Regional and global projects

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the "Project Document" instrument referred to in: (i) the respective signed SBAAs for the specific countries; or (ii) in the Supplemental Provisions attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof.

This project will be executed by the UNDP Istanbul Regional Hub for ECIS ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

The responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. The Implementing Partner shall: (a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; (b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VIII. ANNEXES

Annex 1: Detailed budget

Annex 2: Risk log

Annex 3: TOR for Project Coordinator

Annex 4: Micro-Capital Grant Agreement (MCGA)