**Innovation Challenges**Page ContentStructure Element - Description

1. Innovation challenges are defined as prized challenges that Business Units (Country Offices) organize to solicit innovative ideas and solutions to address development challenges which cannot be achieved through traditional solicitation processes.
2. The following elements must be present when solving innovation challenges:
3. A clear objective that needs to be achieved; and
4. The manner in which it can be achieved is not known to UNDP or an easily accessible solution cannot be sourced through traditional commercial channels.

Structure Element - Procedures

1. Non-traditional solicitation process may not always be the best method for solving a development problem or social issue. It should not be used for any of the following situations:
2. If the manner in which the objective can be accomplished is well-known, and an effective approach to solve a problem is also known, so that the only remaining concern is to identify who will accomplish them; or
3. If there is clear information that only a very limited group would benefit from, or would be interested in addressing the problem.

In both of the above circumstances, a normal procurement procedure or a performance-based grant approach should be undertaken.

1. Addressing innovation challenges can be resource intensive. Clear success indicators must be formulated from the onset to ensure proper monitoring of development results.

1. Innovation challenges must not be used as a way of circumventing the standard [UNDP procedures for procurement, partnership or for awarding micro-grants](https://intranet.undp.org/global/popp/ppm/Pages/FAQs-on-PPM.aspx).

**Principles in Addressing an Innovation Challenge**

1. Addressing an innovation challenge should be structured in a manner that ensures judicious use of resources. The following elements shall be in place, at all times:
2. Consistency with Development Outcomes and Agreed with Development Partners
3. A challenge should not be an end in itself but a means to a larger goal. The objective of addressing innovation challenges must directly impact the achievement of specific outputs and contribute to the agreed results and outcomes of UNDP Country Programmes. This must be the primary rationale for initiating an innovation challenge.
4. The Business Unit should define the problem that needs to be resolved and how the result fits into broader UNDP target results in the Programme Country.
5. The rationale and design for addressing the challenge should be agreed as early as the project initiation stage, the methodology should be cleared by the appropriate project appraisal committee or incorporated in the project document duly signed by UNDP and Implementing Partner.
6. Innovation challenges can be added to projects already approved by the PAC at the discretion of senior management in the Country Office based on clear success indicators, M&E mechanisms and a resource and results framework.
7. The concept should clearly specify the appropriate management arrangements, and it shall be provided with the necessary resources in the annual work plan of the project.
8. Beneficiary-Centered, Context-Appropriate and Solution-Focused
9. Proposed solicitation process should address a clearly defined development problem, focused on the needs of its end-users or beneficiaries, and appropriate to their context.
10. Financially Sustainable and Scalable

Criteria for challenges always need to include the following elements in addition to context-specific criteria:

1. viable in the long-term and financially sustainable,
2. broadly accepted and widely accessible to all targeted beneficiaries and/or potential users;
3. available for sharing;
4. replicable in other environments;
5. building on technologies or methodologies that are adaptable to various contexts.
6. Fair, Open, Transparent and Inclusive
7. The opportunity to propose an innovative idea must be opened to all entities, whether individuals or legal entities.
8. Potential participants include businesses, NGOs, academia, federations, individuals and associations.
9. Transparency at every stage, and more importantly at the beginning of an innovation challenge should ameliorate many of the potential risks of this activity.
10. The opportunity to participate, indicating all the relevant information, including the value of the prize to be given to the successful participant should be widely disseminated openly to the public, utilizing both national and international channels.
11. Where the innovation challenge leads to a formal partnership between UNDP and the developer of the innovative idea, the UNDP policy on Vendor Sanctions shall apply to the said Partner.
12. The intellectual property rights of solicited ideas and/or solutions remain with UNDP who will issue appropriate licenses to the developer of the idea. The solution shall be made public and open exchanges, collaborative participation and community development following the challenge shall be encouraged. This aims to ensure that:
13. innovations that are of significant interest and benefits to the public actually becomes “public goods or services” and may be made accessible;
14. that there will be no monopoly control over the solution; and
15. that they will not be priced outside of the beneficiaries’ ability to pay.
16. If the innovative idea selected by UNDP is adopted and replicated by UNDP or any of UNDP partners in various UNDP-supported programmes/projects, the source of the innovative idea must not and cannot expect to be the sole source of all business activities arising from such adoption of the innovation.

1. Where necessary, and where marketable technologies are involved, UNDP may provide perpetual license to the source of the innovative idea, but UNDP shall not be precluded from granting the same license to other entities.

**Delegated Authority to Conduct a Non-Traditional Solicitation to Address Innovation Challenge**

1. The Head of UNDP Business Units has the delegated authority to award a monetary prize up to a maximum of US $40,000.
2. Any innovation challenge envisioned to award a prize that is higher than $40,000 shall require the BU to seek the approval of the Chief Procurement Officer (CPO). The Head of the BU shall submit the concept and mechanics of the challenge, along with the justification for awarding a prize higher than the authorized amount indicated above to the CPO to obtain the approval.
3. When the innovation challenge is envisioned to award a non-monetary prize, the value of the said prize shall remain below the maximum authorized amount indicated above, or any higher amount that the CPO may exceptionally approve for a specific BU upon the latter’s request.

**Modalities for Implementation**

1. An innovation challenge may be addressed by UNDP through any of the following means by Direct Implementation (DIM) or CO support to NIM:
2. solely by UNDP;
3. with the support of an external party; or
4. outsourced to a third party.
5. When the nature of the innovation is complex and requires time and expertise that are not within the internal resources and capacity of UNDP to perform, then an external entity may be engaged to support the process.
6. The identification of the external partner to handle the challenge must be done through a procurement process appropriate to the value of work.

**Evaluation of Entries to Innovation Challenges**

1. The evaluation of entries to an innovation challenge must be consistent with UNDP’s principles of fairness and must be rendered with the highest standards of integrity.
2. Such evaluation must be conducted by UN staff or a committee whereby all or the majority of its members are UN staff. The inclusion of external partners with expert knowledge in the field of the innovation is encouraged to complement UNDP’s expertise and improve the selection of the most viable proposals.
3. If the assistance, advice and participation of external experts or multi-sectoral representatives are required in the evaluation process, UNDP may engage such experts or representatives either on a pro-bono basis or following a competitive selection process, or subject to the following:
4. the selection and engagement of the expert shall be subject to relevant procurement policy and procedures;
5. the expert/s shall be subject to review and clearing of any conflict or potential conflict of interest;
6. the expert/s shall sign a Declaration of Impartiality prior to performing its services.
7. Whether or not external expert/s and/or multi-sectoral representatives are involved in the evaluation process, the final decision in choosing the winning entry shall rest and remain only with UNDP, and made by UNDP staff.
8. All UN staff, holders of any non-staff UNDP contracts, and UNDP contractors who may be involved in the critical process of evaluating entries to an innovation challenge shall perform their duties in a professional and impartial manner, without any form of preferential treatment to any of the entries.
9. Any staff, non-staff contract holders, and UNDP contractors who are in a position of conflict of interest, or may be potentially perceived as being in such position, must preclude themselves from participating in the evaluation and selection process. In all circumstances, they shall also avoid any improper endorsement of products or services, or imposing the use of any specific product or services, during and after the evaluation of the entries to the innovation challenge.

**Legal Instruments to be Used When Awarding the Prize**

1. All awards need to be formulated based on the following templates (for [companies](https://intranet.undp.org/global/popp/cap/_layouts/WopiFrame.aspx?sourcedoc=/global/popp/cap/Documents/Model%20Innovation%20Challenge%20Agreement%20%28company%29%20-%20Jan%202016.docx&action=default&Source=https%3a//intranet.undp.org/global/popp/cap/Documents/Forms/AllItems.aspx?InitialTabId%3DRibbon%252EDocument%26VisibilityContext%3DWSSTabPersistence&DefaultItemOpen=1&DefaultItemOpen=1) and [individuals](https://intranet.undp.org/global/popp/cap/_layouts/WopiFrame.aspx?sourcedoc=/global/popp/cap/Documents/Model%20Innovation%20Challenge%20Agreement%20%28individual%29%20-%20Jan%202016.docx&action=default&Source=https%3a//intranet.undp.org/global/popp/cap/Documents/Forms/AllItems.aspx?InitialTabId%3DRibbon%252EDocument%26VisibilityContext%3DWSSTabPersistence&DefaultItemOpen=1&DefaultItemOpen=1)). Any modification to the template must be cleared by the UNDP Legal Office.

**Monitoring the Use of Prizes**

1. Depending on the design and expected result from the challenge, UNDP may decide to monitor, or require reporting of, the utilization of monetary prize if it is expected that the award will be invested into further development of the proposal.

**Documentation**

1. All documents pertaining to the implementation of the innovation challenge shall remain on file, for audit purposes.
2. Upon completion of the innovation challenge, the BU that administered the innovation challenge shall assess the manner of implementation and document the lessons learned, as well as the best practices.

**Risk Mitigating Measures**

1. Realistic expectations and clear statements must be established at the conceptual stage of the Innovation Challenge.
2. In depth analysis and wide reaching consultations with end users and other stakeholders must be carried out and documented in the identification process of the problem which an Innovation Challenge will seek to solve.
3. Adequate research and strategic cost and benefit analysis must be carried out before the Innovation Challenge is launched and it must only be launched when the actual value of the results outweigh the total cost of the exercise.
4. The Innovation Challenge must be outsourced or experts must be engaged through a procurement process if there is inadequate internal capacity to design and manage the innovation challenge.
5. In order to receive sufficient and pertinent applications, the innovation challenge must be broadly advertised in the media and through the web. In order to receive sufficient and pertinent applications, the innovation challenge must be broadly advertised in the media and through the web.
6. Sufficient communication advocacy must be budgeted for in the project and executed appropriately in line with the policy.
7. The steps prescribed in the Innovation Policy and the legal instrument established by the LSO must be complied with and utilized in the design and management of an Innovation Challenge to avoid creating a monopoly.
8. At least one staff’s full time must be dedicated to the management of an Innovation Challenge for an efficient management of the process.