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**Transformative Governance and Finance Facility-II**

**Annual Project Progress Report**

**MINISTRY OF FINANCE OF SLOVAK REPUBLIC**

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| **Implementing Agency:** | United Nations Development Programme (UNDP) |
| **Atlas Project ID:**  **Project Title:** | 00107865  Transformative Governance and Finance Facility-II (TGFF\_II) |
| **Project Duration:** | 01 January 2018 – 31 August 2021 |
| **Country / Region:** | RBEC |
| **Funding Partner/s:** | Slovak Ministry of Finance |
| **Responsible Parties:** | Pontis Foundation, Agirre Center |
| **Reporting Period:** | 01 January 2020 – 31 December 2020 |
| **Contact Person/s:** | Lejla Sadiku, Innovation Specialist, [Lejla.sadiku@undp.org](mailto:Lejla.sadiku@undp.org), |
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# Executive Summary

During this implementation year the project was faced with the outburst and then the effects of the pandemic. The region was heavily affected by the pandemic – as the teams in Country Offices and government counterparts moved to working online, the emergency response took the position front and center with many government counterparts, and the space for innovation in the short run opened – however, the discussions around the longer-term response and renewal were limited.

The project quickly pivoted to meet the needs, respond to the opportunities and recognize the new environment in which it was set. Hosting the capabilities for rapid innovation (crowdfunding, data analysis, citizen engagement, urban development) positioned it well to be able to respond to CO demand and develop new offerings, both for the short-run and for the medium-term.

A few key developments happened in 2020 – overall efforts and investments by the TGFF have been scaled, mainstreamed corporately and have attracted additional financing:

* Under Output 1: **New technologies, data and engagement of citizens are used to improve governance and development outcomes,** the following results have been achieved:
  + The first cohort of the City Experiment Fund completed their projects, and a second cohort was launched piloting the portfolio approach. A meta-model for urban transformation was developed and will be scaled through European Commission funding.
  + Data innovation and digital projects piloted at the city level have attracted attention of national governments, and requests for scaling have been received. Collaboration with the European Space Agency has been enhanced.

* Under Output 2: **Collaborative platforms are utilized at the regional and national level to drive innovative solutions to development challenges**, the following results have been achieved:
  + In collaboration with the Polish and Czech Challenge Fund, and Koc Holding, BOOST: Solution Accelerator was launched and attracted about 120 applications in total. The accelerator builds on the lessons from the Ministry of Data, adding a stronger private sector angle and a learning mechanism.
  + Tools, resources and packages have been developed for the COs to implement Ministry of Data at the local level. Initial testing has taken place with
* Under Output 3: **National counterparts and citizens enabled to apply a range of alternative financing mechanisms for the benefit of policy-making and public service delivery,** the following results have been achieved:
  + Crowdfunding efforts supported under the TGFF I & II projects have been scaled up through Islamic Development Funding and mainstreamed corporately.
  + The structuring of the first development impact bond was started in partnership with EBRD in Armenia.

Overall, a mid-term evaluation found overwhelmingly positive outcomes stemming from the Slovak support and recommended stronger communication and linkage between outputs at the country and regional level.

The following lessons learned have been accumulated:

* The response to the pandemic required the type of adaptiveness that exists in the TGFF project.
* The project has been a successful mechanism for testing new products, services and offers, which have later been able to attract additional funding. The investment to leverage ratio is 1:5 (for each 1$ invested, 5$ have been leveraged) overall, and on specific initiatives (i.e. CEF and crowdfunding) 1:10 at the regional level alone.
* As the narrative of innovation has shifted towards system transformation, the project could play a key role in creating new models in development – similar to what is taking place under CEF.

Some of the key challenges during 2020 have been that the project had continued to function with a project manager a.i.. To mitigate this, the team that was on the project has been designated to coordinate activities under each component. With the new contracts In 2021, the project associate has left the team and the function will need to be filled with a temporary solution until the end of the project.

The project requested a no-cost extension until 31 August 2021, to complete activities that had been redesigned due to the crisis. Project budget is about 80% utilized overall.

# Introduction / Background

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) New technologies, data and engagement of citizens are used to improve governance and development outcomes; b) Collaborative platforms are utilised at the regional and national level to drive innovative solutions to development challenges; and c) Effectiveness of development interventions is strengthened and enhanced through alternative finance mechanisms. Among geographic priorities in the region, the facility will ensure presence throughout the ECA region.

Project contributes to Regional Programme 2018-2021, Outcome 1: Accelerating structural transformations through more effective governance systems. If alternative finance models and participatory data driven approaches are mainstreamed in societies in the Europe and Central Asia region, then people will be empowered to make better decisions, become more involved in and exercise influence on reforms, which is likely to lead to the expanded civic space, better governance and improved development outcomes as framed in the SDGs.

Pontis Foundation and Agirre Center contribute to the Project as responsible parties. Pontis Foundation has successfully completed its’ tasks while the work with Agirre Center continues. CHORA Foundation/Context F supports the deployment of the portfolio approach at the city level.

Evaluation of the Project conducted by an external consultant in 2020 and results of it will be shared separately in the relevant part of the report.

# Progress Review: Key Activities and Results, 01 January 2020 – 31 December 2020

**Section 1: Overall progress against outcomes**

Project Contributes Outcome 1 of Regional Programme 2018-2021 which is Accelerating structural transformations through more effective governance systems.

Overall the project has created more coherence following the decision of the board in 2019 to focus on the local level and the evaluation. This has helped provide a set of tools and options to the local level governments to enable transformation, faster uptake of digital technologies and new data, and strengthened collaboration between different actors. Overall the activities have contributed to the following strategic outcomes:

* Stronger partnerships with the European Commission, IsDB, EBRD, the Czech and Polish funds to leverage additional financing, as well as with partners like the European Space Agency to leverage technical expertise – enabling the development of a robust offer for urban transformation, generation of digital tools at the country level and paving the way for a comprehensive digital transformation framework.
* Stronger collaboration and participatory processes, that have become increasingly embedded in COs. A few examples stand out: the review and restructuring of Ministry of Data, including the development of the handbook, and its embeddedness in the country level; the launch of BOOST – building on the Ministry of Data – that has brought together civil society, innovators, and the private sector under one umbrella.
* Increased capabilities to utilize different financing mechanisms – including through scaling up individual giving/crowdfunding in other regions, mainstreaming it across UNDP and contributing to the development of a strategy on individual giving for UNDP.
* Strengthened communication throughout 2020 – including through regular newsletter updates in Q2 and Q3, and a series of webinars which jointly reached an audience of about 1000 participants.

**Section 2: Monitoring and Evaluation of activities.**

During 2020, the project underwent an independent mid-term evaluation, which included quantitative and qualitative data gathering, and as a follow-up, an M&E framework specifically for CEF was developed – which also reflected findings from interviews with the COs that were benefiting from the program.

**TGFF-II Mid-term Monitoring and Evaluation.**

**Objectives and scope of the evaluation:**

* The main objectives of the mid-term evaluation are as follows:
* To assess the adequacy, efficiency, and effectiveness of implementation, as well as the achievements the project outputs and outcomes;
* To identify weaknesses and strengths of the project design and implementation;
* To come up with recommendations regarding the overall design and orientation of the project and on the work plan for the remaining period of the Project;
* To document lessons learnt and best practices for the next project cycle.

**Tools used:**

1. Qualitative (and quantitative) data analysis: Through the desk review, documents and data have been analyzed using mainly qualitative methods. Content analysis has been used to review the documentation, as well as the interview responses.
2. Key informant interviews: structured and semi-structured interviews (zoom, skype or telephone) have been conducted with program stakeholders and with participants/recipients of the project initiatives. Annex 4 lists the main questions asked. The main stakeholders have been identified as follows:
   1. UNDP COs;
   2. Civil society;
   3. Governments;
   4. Partners (private sector, academia and International Organizations).
3. Online questionnaire: a mini online questionnaire has been sent to stakeholders to gather further evidence on the results of the initiatives (annex 6 shows the main questions listed in the online questionnaire).

**Mid-term evaluation report can be found** [**here**](https://docs.google.com/document/d/1KXVEpbeiYB0Xv4-q9lTIXdLOkN47lWmk/edit)**.**

For the **M&E Framework for CEF Cohort 1,** the following objectives and structure of the framework were designed:

**Objectives:**

* To provide a common framework for CEF cohort 1 projects in Armenia, Moldova, Macedonia and Serbia to:
* Lay out the logic of those initiatives (i.e. outcomes, impact)
* be able to track the progress of the individual projects and compare results
* For UNDP CO and IRH to fill in the missing data, adapt the framework, add more indicators or change the ones already included in it
* To highlight the ‘process of change’

**Structure of the framework**

The future framework for reporting on CEF will follow the logic below:

* Impact – the ultimate and long-term outcomes of those initiatives. For instance, ‘Improved mobility and use of public transportation’ in Moldova. As it will take time for those results to be achieved, CEF initiatives can try to measure and track some of the factors that may lead to those results – however achieving them in the defined timeframe will be difficult. Also, an impact evaluation will need to be conducted to try to more clearly attribute the long-term results to a specific initiative (long-term results are a combination of many factors)
* Outcomes/intermediate objectives – those objectives are concrete outcomes of those initiatives that the project aim to achieve. An example is the the ‘Consul platform’ in Serbia. Those outcomes should be achieved and measured by UNDP.
* Process of change – the process of change implies all the changes that the initiatives are bringing about to achieve the intermediate objectives (and impact). For instance, the urban planning methodology in Armenia was developed on the basis of a participatory process that made the municipalities interact with citizens, private sector and other stakeholders. What are the stakeholders learning from this participatory process and the increased collaboration among themselves? This is what the process of change tries to measure. It is of utmost importance to try to measure this process as it involves a change in the behavior of stakeholders that is the basis for achieving the outcomes and impact of these initiatives.

**Section 3: Progress against each output**

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| **Project Output 1: New technologies, data and engagement of citizens are used to improve governance and development outcomes.** | | |
| **Output indicators** | **Targets** | **Progress against targets** |
| ***1.1*** # of cross-sectoral/ new data initiatives rolled out at the central level. | Baseline: 7  AWP target: 2 | 4  Moldova (CEF/Mobility and Data Collaborative), Serbia (support to the government in applying the open contracting data standard in the public procurement offices), Armenia and Serbia (deforestation and flooding in collaboration with ESA). |
| ***1.2*** *# of programmatic decisions taken based on insights from the data prototypes* | Baseline: 4  AWP target: 3 | 3  In Moldova, support to key institutions during the pandemic has enabled better tracking and tracing of COVID; a re-greening software developed with EcoLogic Studio will be presented at the Istanbul Innovation Days and there is an interest to be applied in Prizren; mobility plans in Chisinau are being redesigned as a result of the findings from the data collaborative. |
| ***1.3*** *# of regional collaborations.* | Baseline: No baseline  AWP target: 2 | 2  Attended by seven COs from the RBEC and the RBAP regions, several building blocks for new data governance frameworks on data stewardship, data trusts and indigenous data sovereignty were developed together with three data governance experts. Two public webinars preceded the UNDP internal workshop.  Under the City Experiment Fund activities are implemented in a cohort-approach generating regional collaboration. |
| **Project Output 2: Collaborative platforms are utilized at the regional and national level to drive innovative solutions to governance and development challenges.** | | |
| **Output indicators** | **Targets** | **Progress against targets** |
| ***2.1*** *# of private sector companies engaged on the Ministry of Data.* | Baseline: 1  AWP target: 3 | 2 in MOD & 14 in BOOST  CO Moldova has worked with the telecom firm Orange on an urban data innovation challenge  CO Tajikistan has partnered with Babilon-M on their hackathon to provide high-quality Internet, while the majority of the hackathon mentors were heads of large companies.  In the frames of BOOST Challenge, 10 companies participated to the data bootcamp focused on utilizing innovative data for social issues. 14 companies participated to targeted workshops to help the organizations gather/structure/analyse data for their specific case scenarios. |
| ***2.2*** *Existence of the methodology/tailored approach to mentorship of challenge winners* | Baseline: No  AWP target: | YES  A Ministry of Data handbook has been compiled and will be made available to COs to provide guidance not only on designing and running a MoD challenge but also to support follow-up and mentoring  A tailored methodology was developed as part of the BOOST programme for participants to adapt their short term and long term data strategies. |
| ***2.3*** *% of women participating in the Ministry of Data challenge* | Baseline: 30%  AWP target: 45% | 48.4 % (83 out of a total of 172 participants) |
| **Project Output 3: National counterparts and citizens enabled to apply a range of alternative financing mechanisms for the benefit of policy-making and public service delivery** | | |
| **Output indicators** | **Targets** | **Progress against targets** |
| ***3.1*** *sub-regional/regional civil society initiatives that promote new technologies for good governance* | Baseline: 1  AWP target: 7 | 5  Overall, 22 CSOs were part of Boost Regional Acceleration program (19 Civil Society Organizations from Turkey, 1 -Turkmenistan, 1- Ukraine, 1-Montenegro.   * Development of Crowdfunding Academy and its digital rollout - * EC funded - Distributed Ledger Technologies for EU blockchain accelerator (DLT4EU) - that we have supported in Serbia, Morocco and Lebanon as well * City Experiment Fund has now 10 cities in the cohort and takes a regional approach, where there is a high emphasis of civil society engagement. * BOOST: Solution Accelerator has attracted about 160 application from across the region. * Ministry of Data handbook has been designed with a set of resources that enables engagement of civil society across the region. |
| ***3.2*** *#of crowdinvesting and crowdfunding campaigns / projects carried out* | Baseline: 20 project teams trained on crowdfunding  AWP target: | 35  32 Boost participants were considered to join crowdfunding academy program. Now in process of final selection. The program will be delivered by March 2021.  Two campaigns were supported - Uzbekistan and Kosovo; and based on the experiences from the project, the team supported 7 crowdfunding campaigns through the initiative in Regional Bureau of Arab States - Togetherasone (https://togetherasone.co/ ) and several more campaigns on UNDP Impact Giving (https://www.undp.org/content/undp/en/home/impact-giving.html)  Digital UNDP Crowdfunding Academy was designed and implemented on Kaya platform; first Academies will be rolled out in 2021 |
| ***3.3*** *# of alternative finance mechanisms (or business models based on them) rolled out* | Baseline: 0  AWP target: 2/3 of ECA countries | 7  Crowdfunding for CSOs in Kazakhstan and Turkey;  The team is a challenge owner and supporting 3 blockchain projects through <https://www.dlt4.eu/open-call> - in Serbia, Morocco and Lebanon.  In Kosovo, using diaspora financing through crowdfunding was tested through a campaign supported by UNDP Kosovo.  Development impact bond is currently being structured in Armenia in collaboration with EBRD.  There is an ongoing dialogue with the IFC on the roll-out of the Breathe Better Bond. |

**Output 1: Key Activities & key results:**

Under this output, the **key results** have been a heightened engagement across different sectors, especially at the local level, development of digital tools in close collaboration with governments to address public sector issues and empowering the local technological community to do so, and testing the boundaries of new technologies.

**City Experiment Fund –** the initiative has enabled multi-sectoral collaboration, development of digital tools, including use of AI and is supporting country offices in creating a new offering for urban:

1. Cohort 1 – Armenia, Moldova, North Macedonia, Serbia
   1. throughout the cohort about 10 online workshops, 3 hackathons and Innovation Camps have been organised, generating new solutions to the challenges identified in respective cities;
   2. Data Collaborative established in Moldova;
   3. Two crowdsourcing urban consultation platforms designed for Nis and Kragujevac, Serbia;
   4. Open data platform on indoor air pollution published in North Macedonia.
2. Cohort 2 – Armenia, Kazakhstan, Kosovo, Montenegro, North Macedonia
   1. Supporting the development of the city offering – a set of tools and processes to accelerate portfolio development for urban transformation that is being rolled out in different countries & the roll out at the country level.
   2. Onboarding sessions with the cohort – introducing portfolio design approach.
   3. Initial data collection, stakeholder and problem mapping establishing project’s presence in the system.

Other **key activities** under this output have included:

* Webinars and workshop for COs, jointly with the Asia Pacific, on data governance were held during the month of December. They set the stage for a discussion around how UNDP can approach data governance and also involved governmental partners.
* Ongoing work in the **Serbia CO on the integration of the Open Contracting Data Standard within the work of the Public Procurement Office**, which in 2020 have generated the following results:
  + Developed analysis of key users and possible use cases for the OCDS publication
  + Developed OCDS publication policy for Serbia
  + Created OCDS structure for Serbia
  + OCDS implemented in the new public procurement system
* In the post-project period, the data on public procurement in OCDS will be available on the National Open Data Portal, and the project team will develop a plan for the next phase (engagement of key stakeholders, data analysis), jointly with experts, PPO team and Open Contracting Partnership team (OCP).

**Output 2: Key activities and key results:**

As a result of the pandemic and the review of the Ministry of Data in late 2018 and 2019, under this component the Ministry of Data was redesigned as an offering to the country offices (jointly with a set of tools and capability development). As a follow up, and in line with approval from the board, BOOST was launched – which embraced the platform approach, collaboration with civil society, competition and innovation from the Ministry of Data – but added a stronger emphasis on the private sector, pre-award acceleration and integration of learnings & insights across a diversity of challenges.

**Boost – key activities & key results:**

1. Development of the concept
   1. Consultation with partners
   2. Design of the challenge and the acceleration programme
   3. Identify partners to deliver the programme
2. Launch of BOOST in July 2021
   1. Communication campaign for the launch of the programme
   2. 3 public AMA for the different challenges
3. Acceleration programme
   1. Design of the acceleration programme
   2. Sensemaking across the entire cohort
   3. Provision of 32 hours of learning programme for the cohort, including on impact and on behavioural change – elaborated below in more detail.

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Impact measurement and management (IMM) knowledge and capacity building track has been designed to address the impact needs of tech and business ventures, selected and participating in BOOST Accelerator.

The IMM curriculum consisted of 5 key modules: 1) Impact and SDGs; 2) Business Model and SDG Alignment; 3) Theory of Change and Impact Goal Assessment through 5 dimensions of Impact; 4) Indicators and Targets; 5) Lean data methodology and data collection to help the selected startups to understand the concept and main dimensions (environmental, social, economic) of impact, apply SDG compass methodology for SDG alignment of the existing impact value chain, build Theory of Change and select respective indicators and targets, and eventually build their impact models. The comprehensive and thorough trainings, complemented with case studies, practical exercises and impact model analysis helped the participants to learn how to measure, analyze, report and improve their impact performance, and specifically to understand how to align the business model with the United Nations Sustainable Development Goals (SDGs). The modules were delivered online with daily participation of all selected startups. Each delivered modules was annexed with a follow-up key takeaways and assignments pack.

Key Outputs so far

* Increased understanding of the concept of “impact” and Sustainable Development Goals (SDGs)
* Ability to map impact against the existing business model
* Understanding and building Theory of Change (ToC)
* Understanding 5 dimensions of Impact and how to assess impact goals (IMP)
* Knowledge on indicators & targets, IRIS+ database, SDG indicators database
* Knowledge on data collection and survey techniques
* Practical tips and tricks for impact deck and pitching

The objective of **Behavioral Insights** course was to provide a brief introduction to behavioral insights and its applications. More specifically, two 3-hour sessions were held, in which human behavior and various cognitive/behavioral biases that drive this behavior were discussed. The theoretical material was complemented with real-world examples of how different institutions (mainly, CSOs, Governmental Organizations, and private organizations) use behavioral insights to nudge individuals to make beneficial decisions for themselves and for the society.. Various challenges were discussed ranging from how to induce the farmers to opt for sustainable farming to how to increase donations for various purposes.  Follow up 1-1s will be organized in January to see the progress of individual projects and support the CSOs to further customize and adapt their experiments.

Other **key activities** in Output 2 have included –

* Roll-out of the Ministry of Data at the local level, buiding on the regional experience, in line with the guidance from the Board in 2019, (Moldova, Serbia, Tajikistan, N. Macedonia) and development of guidance tools and processes for the COs to apply the methodology for themselves.

**Output 3: Key activities & key results:**

Under this output, the **key results** have been implementation of alternative finance solutions – from designing pilot projects and proof of concept; to scaling up proven solutions. Testing the new technologies and scaling up beyond has supported accelerating the digitalization and financial inclusion of UNDP country offices, civil society organizations, cities and Governments in EIC region and beyond.

**Blockchain**

Several pilot solutions based on blockchain has been leveraged and provided technical advice through the project:

* The team is a challenge owner and supporting 3 blockchain projects with UNDP country offices implemented by selected blockchain companies with the additional support from European Commission Joint Research Program DLT4EU program. These which are focusing on various aspects on blockchain technology such as increased transparency and track and trace (in **Morocco**), establishing new business models for decentralized energy (in **Serbia**), financing solar power plants (in **Lebanon**).
* In 2019, AltFin Lab provided advisory support to UNDP Ecuador to establish **The Other Bar.**  Tracking goods for farmers in **Ecuador** - focusing on cocoa, coffee and tea. With the UNDP Ecuador and Amsterdam’s FairChain Foundation one of the world’s first blockchain shared-value chocolate was created. The project was featured in New York Times and was scaled up with funding from the Chief Digital Office.

**Crowdfunding and crowdinvesting**

Work on crowdfunding has developed a broad set of partnerships and expand to these parallel tracks:

* **Supporting crowdfunding campaigns for UNDP projects and activities** resulted in development **of 15 national campaigns during the 2020, of which 4 have been in the ECIS region during and after the pandemic**.

Based on the previous work and lessons learned from TGFF project, UNDP has adopted the crowdfunding practice, support scheme, internal capacity building support and operational approach for campaigns. This includes design and implementation of campaigns on several different topics, from supporting people with disabilities, COVID19 response or biodiversity.

* **Scaling up digital training on how to use crowdfunding** in order to expand crowdfunding capacities within UNDP and beyond, a digital toolkit for training on crowdfunding – Digital Crowdfunding Academy has been developed. It is hosted on Kaya platform, and which enables decentralized e-learning process for participants;
* **Development of aggregating platforms** – based on experiences from crowdfunding and platform development in TGFF project, the following platforms have been designed or codesigned:
  + - Togetherasone - hosted 7 campaigns for countries from Arab states with a focus on COVID19 related campaigns;
    - UNDP Impact Giving platform that hosts all developed and supported campaigns – and that will also host future campaigns developed by UNDP and trained by our team;
    - Tadamon platform – scaled up by IsDB as a meeting place for civil society organizations and crowdfunding platforms and other partner.

**Other key activities** include**:**

* **The structuring of the Social Impact Bond/Development Impact Bond in Armenia has started**. A Statement of Intent was signed to help develop a social impact bond, an innovative financing tool, to improve the quality and productivity of smallholder dairy farmers in the Shirak region of Armenia. A social impact bond is a results-based financing mechanism that provides investment to address social problems by funding preventative interventions, linking the financial success to the delivery of measured social outcomes. Once the social outcomes improve, investors are repaid their initial investment plus a return for the financial risks they took. With the support of the Slovak Republic through the EBRD-Slovak Republic Cooperation Agreement, Social Finance has been hired to build on the findings of a feasibility study prepared by the UNDP. The SIB has already attracted the interest of the European Commission and JP Morgan.
* A **digital curriculum** and training program for **SIBs & performance-based payment** has been developed and will be launched in Q2 of 2021.
* Ongoing engagement with the IFC around testing the **Breathe Better Bond** in the region. There is potential to apply the mechanism in the Western Balkans or Eastern partnership countries. The scope is currently being discussed with the Climate Lab at the IFC.

**COMMUNICATION**

The project team has engaged more effectively on communication, highlighting not only the work of the project but also raising awareness about innovation trends through its networks. The webinars have reached an audience of about 1000 people within the UNDP and outside. In addition, BOOST and CEF are both running specialized talks that focus on addressing and answering challenges that teams working on these topics are facing.

Below is a list of key activities aiming to strengthen positioning of TGFF:

1. Prepared and developed temporary web platform for communications materials: <https://innovation.eurasia.undp.org/>
2. Prepared branding and visual identity for TGFF key activities
3. Prepared, finalized and approved design of TGFF web platform concerning UNDP Europe and Central Asia innovation activities
4. Prepared website text about each of TGFF key pillar activities
5. Prepared blog pieces such as [on data](https://www.eurasia.undp.org/content/rbec/en/home/blog/2020/coronavirus-and-data-management-.html)
6. Launched weekly newsletter on COVID-19 innovation as an immediate reaction the pandemic to highlight trends and initiatives

Webinars and other virtual learning and sharing opportunities:

1. Webinar on applying big data for identification of positive deviance with with Basma Albanna, Global Development Institute, University of Manchester [April 2020]
2. Webinar on on the future of cities with Damiano Cerrone, co-founder of the SPIN Unit and currently working with DEMOS in Finland [April 2020]
3. Webinar on using a data-mining approach to identify industry-specific business risks related to COVID-19 in real-time, with Fabian Braesemann and Fabian Stephany from the Oxford Internet Institute, University of Oxford [May 2020)
4. Webinar series with UNDP RBAP on Strategic COVID-19 Recovery: Emergent models and funding for systems change [August 2020:
   1. The Portfolio and Transformational Capital Case – Insights from EIT Climate-KIC
   2. The Role of Social Capital Infrastructure and Systemic Entrepreneurs
   3. Exploring a Mission Oriented, Multi-Stakeholder Approach to Complex Challenges, the case of Plastics in Indonesia
   4. Navigating Risk, Complexity and Uncertainty

# Partnerships and Sustainability

During 2020, as a result of the pandemic, the evaluation, and the guidance of the project board, the project team has consciously sought to strengthen coherence within its activities. This has resulted in a number of adaptations during project implementation, which also affect the sustainability of the project in the long run:

* Linking the Ministry of Data to the City Experiment Fund has ensured that the solutions provided have a problem owner, are locally relevant and will have follow-up.
* Devolving the Ministry of Data to the country level, design of toolkits, guidance and capability development for COs, will enable offices to build on the lessons learned and be more effective in the design of similar activities. There are already requests coming from two different COs to utilize the handbook.
* The launch of the BOOST programme – bringing on board a diversity of partners, targeting the private sector, designing for digital inclusion, capability development and follow-up after the awards, managed to link the benefits of the granting mechanism with the Ministry of Data, while at the same time addressing the effects of the pandemic.
* Strengthened regionality, a stronger linkage to the CO programme in CEF and development of diverse portfolios, positions CEF as a the catalytic mechanism to enable offices in the region to generate a new offer on urban transformation, as well as attract other investments.

For project implementation, the project is currently working with Agirre Center and CHORA Foundation to support cities in CEF, whereas a part of the BOOST programme is being delivered by Startup Grind. Other partnerships include: the European Space Agency, EBRD, Strelka Center and SPIN Unit, during implementation in Moldova and Armenia, specifically.

In Serbia, the support for the Open Contracting Data Standard further strengthened partnerships with the PPO and OCP, which will be a great stepping stone for future interventions and new projects. Also, existing partnership with ITE will be used for promotion of open procurement data and stimulation of data reuse. BOOST developed a partnership platform which sought to bring together a diversity of partners around a common goal.

In 2020, the work of the project attracted the attention of new partners/donors – leveraging the project investments 1:5, and up to 1:10 for specific activities. As a result of the increased demand for innovation, the project’s fresh approaches and the team managed to successfully scale up efforts on portfolio development at the local level through a 10million EUR investment by the European Commission, and the work on crowdfunding with a 2.1 million USD investment by Tadamon, and 200K from UNDP’s internal resources for mainstreaming of crowdfunding.

# Update on risks and mitigation measures

One of the key challenges in the project implementation continue to be the changing political environment across the region and with that the change in appetite for innovation. The cascading effect of the pandemic was felt across the region – from the unrests in Belarus, the conflict between Armenia and Azerbaijan, to the string of elections in the Western Balkans and Eastern Partnership, as well as the strained relationships between the countries.

Overall, this created an environment of high volatility and uncertainty, making planning of project activities extremely difficult.

Due to the scheduled end of the second phase, the function of the project manager was filled in ad interim by the Innovation Specialist. In addition, the project associate has been selected for another role at the time of writing the report, and her function is being filled in temporarily by Tugce Akpek, procurement officer at IRH. Below is an overview of the team that is currently involved and the type of contracts that they are on. Majority of the team is on IC contracts, and their capacities are leveraged across multiple projects. In addition, the project also leverages country office capacities – in particular on BOOST and innovative finance. While this approach carries risks related to sustainability, it has also been efficient, produced cost-savings and has enabled leveraging learnings and resources across different projects.

# Key Challenges, Lessons Learned and Recommendations

Some of the key challenges encountered during the project implementation, include:

* The project management function is currently exercised by the policy advisor. Due to the impending end of the second phase, it was thought that the recruitment process should be halted until the new phase is designed. Project implementation continues to be aided by the team that is currently in IC contracts, is overseen by the Programme Specialist and in coordination with the COs.
* Creating more coherence within the project needs to follow with robust M&E structure that transcends to the COs and contributes to overall project results across different levels. This is already being designed and applied in CEF, and could be scaled up throughout.
* Change in the political context and the pandemic has required high adaptiveness. The project was quick to respond to the change in context as a result of the pandemic, but further sensemaking is required to ensure that activities are overall contributing to building back better.
* In the provision of services, the team has moved fully online. This has created some longer feedback loops and has limitations in terms of communication. However, with the use of tools like Miro, menti-meter, Mural, Zoom and other digital tools have enabled ongoing communication and ushered rethinking how services can be delivered (with lower to no travel costs and less carbon footprint).

# Financial Summary**[[1]](#footnote-2)**

**Table 1: Overview of allocation and utilization[[2]](#footnote-3) per output over the years**

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| --- | --- | --- | --- | --- | --- |
|  | Expenditure | | | | **Planned** |
| **Output** | **2018** | **2019** | **2020** | **Total Exp.** | **2021** |
| Output 1 | 360,116.45 | 319,430.73 | 576,481.05 | 1,256,028.23 | 887,302 |
| Output 2 | 178,783.93 | 188,574.50 | 149,477.79 | 516,836.22 | 180,400 |
| Output 3 | 267,629.10 | 245,385.15 | 155,359.15 | 668,373.40 | 190,506.63 |
|  | **806,529.48** | **753,390.38** | **881,317.99** | **2,441,237.85** | **1,258,208.87** |

**Annexes**

**Annex I: Progress Review: detailed matrix of activities and results**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Output 1** | **Indicators** | | | | **Baseline** | **Annual target** | **Progress / Milestone** |
| New technologies, data and engagement of citizens are used to improve governance and development outcomes.  Budget: USD 696,119.67  Expenditure to date: USD 570,858.00 | *1.1* # of cross-sectoral/ new data initiatives rolled out at the central level. | | | | 7 | **2** | **4** |
| *1.2* # of programmatic decisions taken based on insights from the data prototypes | | | | 4 | **3** | **3** |
| *1.3* # of regional collaborations. | | | | No baseline | **2** | **2** |
| **Activities** | | | **Results** | | | | |
| **Activity 1:** Strengthen capacities of UNDP COs & national counterparts to co-create human-centered digital/data initiatives; Provide financial support for up to 4-5 initiatives to implement human-centered open government/digital transformation projects in areas such as anti-corruption | | | Design of the regional portfolio on urban transformation for response and renewal of the cities with Chora Foundation.  Development of the systems thinking and portfolio design tools and service offerings for country offices and their governmental and non-governmental partners.  The first application of the systems thinking approach was with the Kosovo country office to map their Covid-19 response and recovery framework followed by the ongoing work with the Uzbekistan country office to develop strategic positions for their Future of Work portfolio.  Regional portfolio insights implemented in the second cohort of the City Experiment Fund, which started in 2020 (see activity 2).  Human centered digital/data initiatives introduced under the City Experiment Fund in: Nis and Kragujevac (in cooperation with innovation design students from SciencePo) focusing on public transportation accessibility for people with disabilities; Chisinau - public transportation optimizer focusing on improving public transportation accessibility based on satellite and mobile usage data. | | | | |
| **Activity 2:** Design and implementation of the City Experimentation Fund | | | Over the reporting period, City Experiment Fund achieved key milestones and expanded to the second cohort, as planned.  **Cohort 1.**  Despite delays caused by the COVID-19 pandemic, all five cities from the Cohort manages to achieve majority (and in most cases all) of their project objectives. Below is a short summary, including key highlights regarding partnership engagement and knowledge management.  **Serbia, Nis and Kragujevac.**   * **Technical support in design thinking sessions,** which helped finetune planned interventions. * **Crowdsourcing platform (1 per city)** - The two cities from Serbia followed a similar trajectory and focused on improving access to public transportation for people with disabilities. As a result of the technical support provided through the project, they have developed a crowdsourcing platform for each city (Consul) that allows citizens to not only comment on municipal projects and ideas, but also to publish their own suggestions or even full-scale interventions to be discussed with other residents. Given the goal set up for the platform under CEF, the category of solutions collected on the platform was framed as public transportation and accessibility. * **Hackathon (Krajuevac) /Innovation camp (Nis) –** Each of the cities ran solution design online events, supported by the TGFF project team. The hackathon in Kragujevac was attended by 88 participants (43 of whom were women) * **Partnership engaged** – the Consul platform in the city of Nis will be scaled in partnership with Climate KIC under the Deep Demonstrations framework to engage local community in the challenge of achieving climate neutrality.   **North Macedonia, Skopje.**   * **Technical support** in designing the engagement mechanism for indoor air pollution monitoring focusing on two initial groups: 1. public utility buildings (i.e., schools) and 2. private homeowners. * **Online platform** for sharing private and reporting public real-time data on indoor air pollution with educational section. * **Partnership engaged** – follow up to the process will be conducted with SIDA.   **Moldova, Chisinau.**   * **Technical support** in designing Urban Mobility Dashboard and Public Transport Optimizer, which led to the design of a Data Collaborative. * **Partnerships engaged** – German Aerospace Agency, Orange – Telecommunications Company. * **Scaling –** Data Collaborative and the Dashboard created for the purpose of monitoring and optimizing public transportation was adjusted to monitor COVID situation in the city as soon as the pandemic began.   **Armenia, Yerevan.**   * **Technical support** in generating key knowledge products: Methodology of Urban Studies and Methodology of Public Engagement for Urban Design Project. * **Chatbot Tigran –** design and deployment of a chatbot conducting surveys on the Facebook platform. * **Technical support** in two ideation and design workshops as well as public consultations about the development of public space (part of a city park). * **Socio-spatial analytics** of Yerevan and GIS analysis of the park - Consulting services of GIS experts to develop urban design and placemaking concepts for areas in the Circular Park. * **Partnerships engaged** providing technical support – Strelka KБ and SPIN Unit.   **Cohort 2.**  In Q3 2020, IRH has opened a call for proposals to select another five cities to join CEF. 13 applications from the following countries: Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kosovo (under UNSCR 1244), Moldova, Montenegro, North Macedonia, The Kyrgyz Republic, Turkey, Uzbekistan  **Selection of topics and entry points:**  ***Country, City, Population, Project Title, Entry Point***  1. Armenia, Stepanavan, 13,086, Talent Nests: Small Cities for People, Economic development  2. Azerbaijan, Shamakhi, 31,704, Smart City of Shamakhi: Digital Transformation of Urban Public Service Delivery by Putting Citizens First, Smart City  3. Belarus, Polotsk and Novopolotsk agglomeration, 185,722, Going Safe to Nature Together, Green infrastructure  4. Bosnia and Herzegovina, Banja Luka, 199,191, Banja Luka Heading on the Future City Journey, Smart City  5. Georgia, Batumi, 155,000, A Blueprint for a Clean and Green Batumi, Green infrastructure  6. Kazakhstan, Almaty, 1,777,000, Air quality monitoring and reduce the effect of volatile organic compounds (VOCs) on COVID-19 related mortality in the Almaty city of Kazakhstan, Air quality  7. Kosovo (under UNSCR 1244), Prizren, 85,119, Prizren Digital City Network, Smart City  8. Moldova, Ungheni, 30,804, Modernizing City of Ungheni: citizen engagement for sustainable development, Smart City  9. Montenegro, Pljevlja, 35,806, Community Engagement for a Sustainable Urban Future, Economic development  10. North Macedonia, Skopje, 630,817, COVID-19 recovery through green, inclusive and resilient local economic development, Economic development  11. The Kyrgyz Republic, Bishkek, 976,734, Improvement of health outcomes in COVID-19 context through innovative pilot interventions to mitigate air pollution in Bishkek, Air quality  12. Turkey, Izmir, 4,321,000, Seeds for Resilience, Economic development  13. Uzbekistan, Tashkent, 2,393,000, Integrated Experimentation Portfolio for Sustainable Communities in Tashkent City, Smart City  Final five cities to join CEF, Cohort 2 (alphabetical order by country)  ***Country, City***  1. Armenia, Stepanavan  2. Kazakhstan, Almaty  3. Kosovo (under UNSCR 1244), Prizren  4. Montenegro, Pljevlja  5. North Macedonia, Skopje | | | | |
| **Activity 3:** Generating and managing knowledge on how to strengthen effectiveness and impact of open government initiatives. | | | Communications materials for outreach and visibility:   1. Prepared and developed temporary web platform for communications materials: <https://innovation.eurasia.undp.org/> 2. Prepared branding and visual identity for TGFF key activities 3. Prepared, finalized and approved design of TGFF web platform concerning UNDP Europe and Central Asia innovation activities 4. Prepared website text about each of TGFF key activities 5. Prepared blog pieces such as [on data](https://www.eurasia.undp.org/content/rbec/en/home/blog/2020/coronavirus-and-data-management-.html)   Webinars and other virtual learning and sharing opportunities:   1. Webinar on applying big data for identification of positive deviance [April 2020] 2. Webinar on portfolio financing 3. Webinar series on data governance   Knowledge products generated through CEF, including:  1. Methodology on urban context study  2. Public engagement methodology  3. Overview of “Tigran” anthropological chatbot  4. Field visit report  5. Conclusive report on urban context study and identification of pilot areas in Yerevan youth park  6. In-depth anthropological study of stakeholders  7. GIS analysis of Yerevan youth park  8. Architectural assessment of Yerevan youth park  9. Report on the workshop with project team on urban context study  10. Report on the workshop with project team on public engagement  11. Report on the ideation and design workshop with local experts and residents  12. Socio-spatial analysis of public spaces in Yerevan  13. Social media listening/perception analysis of residents on public spaces in Yerevan  14. Economic impact analysis of green urban areas in Yerevan (in the making)  Abovementioned knowledge products allowed us to:   * + - 1. **Mainstream knowledge** generated in each CEF project in teams and public institutions that partnered with respective UNDP country offices in the process. As a result, some of the key new practices are now under consideration for upscaling (i.e. spatial planning approaches and social analysis tools used in one part of the park in Yerevan have a chance to be translated into municipal standard practices based on the provided knowledge products).       2. **Diffuse solutions and approaches** into the second cohort of the City Experiment Fund. Report about “Tigran” anthropological chatbot was being explored by UNDP COs in partnership with local municipalities at the Deep Listening stage of the process.       3. **Attract further partnerships and funding**. Design Thinking for Enhanced Mobility of Young People with Disability (report) was used to design digital solutions for two cities in Serbia, which then attracted EIT Climate KIC to join forces with the municipality of Nis. This partnership will further grow the platform and expand its reach into other thematic areas.   **Expand thematic reach of digital products** created under TGFF. In Moldova, the knowledge products describing the cooperation with German Aerospace Agency and a private telecommunications company inspired further work on SGD with the use of similar approaches (first in the governance space). | | | | |
| **Activity 4:** Prototyping new and alternative data (e.g. crowd-sourcing, satellite imagery) that leads to real time insights to inform decision-making in key SDG development areas. | | | * Moldova, Chisinau: Data Collaborative established with support of the European Aerospace Agency. Satellite imagery used throughout project development for the purpose of optimising public transportation in the city. * Republic of North Macedonia, Skopje: introducing indoor air quality sensors providing real-time data to be published on an open platform. * A set of new tools has been developed with EcoLogic Studio which enable using artificial intelligence to plan cities better – including on how to design public services like waste collection, how to improve greening based on the topography of places and where there is potential for solar energy. This will be shown during the Istanbul Innovation Days to a community journalists and mayors. | | | | |
| **Activity 5:** Strengthen data literacy capacities of national counterparts, in at least 4 countries, to harness the potential of new data – focusing on political, legal and ethical aspects. | | | 7 COs in RBEC and RBAP were a part of a webinar and workshop series looking | | | | |
| **Activity 6:** Annual action research, and R&D event to take stock of progress & identify emerging areas. | | | In February 2020, a design lab was organized with UNDP COs that were looking to applying portfolio thinking into their work. In follow up to that meeting, a project was designed to scale up the City Experiment Fund. | | | | |
| **Output 2** | **Indicators** | | | **Baseline** | | **Annual target** | **Progress / target** |
| Collaborative platforms are utilized at the regional and national level to drive innovative solutions to governance and development challenges.  Budget: USD 255,960.00  Expenditure to date: USD 149,384.00 | *2.1*# of private sector companies engaged on the Ministry of Data. | | | 1 | | **3** | **16 (2 MOD + 14 BOOST)** |
| 2.2 Existence of the methodology/tailored approach to mentorship of challenge winners | | | No | | **YES** | **Ministry of Data handbook.**  **Methodology for BOOST programme.** |
| *2.3*% of women participating in the Ministry of Data challenge | | | 30% | | **45%** | **48.4%** |
| **Activities** | | **Results** | | | | | |
| **Activity 1:** Annual regional Ministry of Data competition | | * In the City of Nis, follow-up is planned as part of the EIT ClimateKIC initiative process (Future Cities of South East Europe project). The best solutions will be further developed in upcoming workshops as part of project activities and preparation of 'City of Nis development plan 2021-2027'. Solutions are planned to be annexed to the plan text as part of a broader portfolio of solutions for future development of City of Nis. * In the City of Kragujevac, some of the winning teams have expressed readiness to apply for funds in order to develop their solutions, when suitable call or grant becomes available. | | | | | |
| **Activity 2:** Engagement with the private sector around the Ministry of Data. | | * **Yerevan:** Private sector is invited into the implementation phase (setting up community-designed solutions in the park) * **Chisinau:** Private telecommunications company Orange provided data relevat to project development and the establishment of Data Collaborative. * **Skopje**: Continued monitoring of the contributions to the air pollution by repeating heating study at the end of the project including small companies.   Under BOOST, which is a scale up of the Ministry of Data methodology, about 14 private sector companies have been engaged in the programme. | | | | | |
| **Activity 3:** Support for innovative tools to address governance issues. | | The grant structure envisioned here, has been put under the umbrella of BOOST, following the board meeting in May 2020 as a response to the pandemic, and the grants/prizes will be provided in April 2021 (after the completion of the acceleration programme). | | | | | |
| **Output 3** | **Indicators** | | | **Baseline** | | **Annual target** | **Progress / target** |
| Nationalcounterparts and citizens enabled to apply a range of alternative financing mechanisms for the benefit of policy-making and public service delivery.  Budget: USD 380,160.00  Expenditure to date: USD 150,136.00 | 3.1sub-regional/regional civil society initiatives that promote new technologies for good governance | | | 1 | | **7** | **5** |
| 3.2 #of crowdinvesting and crowdfunding campaigns / projects carried out | | | 20 project teams trained on crowdfunding | | **22** | **35** |
| 3.3 # of alternative finance mechanisms (or business models based on them) rolled out | | | 0 | | **2/3 of ECA countries** | **7** |
| **Activity 1:** Applying financial technologies for non-financial (improving governance transparency and cost efficiency); and financial purposes (money transfer or finance leverage) | | The team is a challenge owner and supporting 3 blockchain projects through <https://www.dlt4.eu/open-call> - in Serbia, Morocco and Lebanon; which are focusing on various aspects on blockchain technology such as transparency, track and trace, financing for SDGs and enabling new business models.  Additional blockchain project was developed and is currently being piloted in Bahrain – for green energy certificates based on blockchain technology.  Overall, 22 CSOs were part of Boost Regional Acceleration program (19 Civil Society Organizations from Turkey, 1 -Turkmenistan, 1- Ukraine, 1-Montenegro.  32 Boost participants were considered to join crowdfunding academy program. Now in process of final selection. The program will be delivered by March 2021. | | | | | |
| **Activity 2:** Using preventative finance models in projects in the region for providing new ways of financing development within UNDP services to governments. | | In Kosovo, using diaspora financing for COVID medical equipment through crowdfunding was tested through a campaign supported by UNDP Kosovo. | | | | | |
| **Activity 3:** Developing, piloting and upscaling crowdinvesting and crowdlending business models in partnership with leading global partners/platforms. | | Based on the previous experiences from the TGFF2 project, the team supported 7 crowdfunding campaigns through the initiative in Regional Bureau of Arab States - Togetherasone (https://togetherasone.co/ ) and several more campaigns on UNDP Impact Giving (<https://www.undp.org/content/undp/en/home/impact-giving.html>). This was upscale of the previous work.  Building upon the experience with crowdfunding, through the additional funding from Islamic Deelopment Bank (IsDB); a project was designed to take Global Crowdfunding Academy not only to countries from the region, but to 57 countries which are part of the OIC: <https://tadamon.community/>  The European Bank for Reconstruction and Development (EBRD) and the United Nations Development Programme (UNDP) have partnered to structure a pilot social impact bond in [Armenia](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.ebrd.com%2Farmenia.html&data=04%7C01%7Clejla.sadiku%40undp.org%7C55e8c6bc27994034a91908d8c83f5781%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C637479523059816272%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=G%2Fn5jPOyDpY9sMyqm88QIFGpMbxUPs2KvSA%2BTgYYHyE%3D&reserved=0)  supporting the development of the agriculture sector.    Digital UNDP Crowdfunding Academy was designed and implemented on Kaya platform; first Academies will be rolled out in 2021. Business model behind the Tadamon partnership and project is strenghtening CSO and crowdfunding ecosystems in countries. | | | | | |

**Annex II: Updated Risk Log**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **Description** | **Date Identified** | **Type** | **Impact &**  **Probability** | **Counter-measures / Mngt response** | **Owner** | **Last Update** | **Status** |
| 1 | Political environment not receptive to project initiatives | December 2017 | Political | P= 3  I=5  Unexpected changes in political environment can cause delays in implementation and pursuing the planned results in partner countries and territories. | Monitor political environment and assess its impact on the project activities. | Project Coordinator  Project Board  Advisory Board  Country Offices | Last updated on 15 June 2019  The political situation in the region remains volatile and deeply polarized. While the government in North Macedonia signaled a shift and a peaceful transfer of power in the region, there are ongoing political tensions and governments are not in place in a number of countries which limit the possibility of CO teams/project partners to engage with central government. However – this also opens an opportunity and provides an impetus to work with cities. | no change |
| 2 | Government’s commitments to open government, data innovation and to project initiatives | December 2017 | Political | P= 2  I=4  Lack of ownership of the project initiatives can result in low effectiveness and impact of the project activities in partner countries | Institutional and CO partners will be selected through a competitive process | Project Coordinator  Project Board  Advisory Board | Last updated on 15 June 2019  There is increased awareness on the potential of data innovation – and there is increasing demand to meet this. However, the focus of the governments currently is more on economic development than on open government. | no change |
| 3 | Capacities of institutions to mainstream innovative projects are weak | December 2017 | Operational/Strategic | P=3  I=3  Uptake of initiatives developed within the scope of this projects suffers due to low capacities in institutions. | Applying COs will be required to provide a snapshot assessment of the capacities of institutions to innovate.  Developing in-country activities that help data literacy. | Project Coordinator  Country Offices | Last updated on 15 June 2019  Mainstreaming innovative projects in government institutions is a challenge (see: experience with the development of public sector labs). In addition, taking up some more innovative projects (for example: use of AI in government & similar) may require capacities that are difficult to find in institutional settings. | no change |
| 4 | Duplication with other initiatives/harmonisation with donors | December 2017 | Strategic | P= 1  I= 3  Duplication of activities results in inefficient use of resources | Country applications should include ‘horizon scanning’ identifying potential duplication and opportunities for partnership.  Special attention will be paid to guarantee fruitful cooperation with domestic and international related initiatives.  The nature of the project also dictates is such that in many areas, UNDP is actually trailblazing. | Project Coordinator  Project Board  Advisory Board  Country Offices | Last updated on 15 June 2019  UNDP has been and continues to be well-positioned to engage, cooperate and coordinate with a multitude of partners, both international (World Bank) and local organizations. TGFF 2 builds on existing partnerships and piloted initiatives, and continues to develop new practices in line with the latest research and findings. | no change |
| 5 | Alignment with countries’ government strategies and priorities | December 2015 | Strategic | P= 1  I= 4  Lack of alignment results in low ownership and commitment to project initiatives | Exact areas of thematic focus will be identified through consultations held at the level of individual countries and regionally. Such consultations will ensure a direct, two way links between decision-makers and partners.  The Facility is also designed to be demand-driven. Therefore, the country offices are expected to align their requests to the strategic priorities of the governments. | Project Coordinator  Project Board  Country Offices | Last updated on 15 June 2019  11 of the 20 countries and territories in the ECIS region have committed to the Open Government Partnership. Resource constraint is a distinct issue for all the countries in the region, therefore experimentation with alternative finance mechanisms is likely to draw the attention of government institutions. This has already been tested and proven true in the first phase of the project – and the case of Montenegro which required the support of TGFF to revamp its OGP NAP demonstrates this latent commitment. | no change |
| 6 | Citizens/Governments have no knowledge or interest in data-driven policy-making | December 2015 | Strategic | P=3  I=4  No knowledge on the use of data for policy-making among citizens and officials will impede project buy-in and implementation. | Project activities tailored towards awareness raising on data.  Development of tailored data literacy programmes. | Project Coordinator | Last updated on 15 June 2019  Data literacy levels are not at a desirable level in the ECIS region, limiting the potential of using data for any type of transformative change.  Data literacy programmes, especially on issues pertaining to ethical use of data and challenges and opportunities, will ensure sustainability and a growth model. This becomes especially important as we embark and are requested to work on more complex projects -bringing together multiple sources of data. | no change |
| 7 | Failure in identification of needs and priorities | December 2015 | Operational | P = 1  I = 4  Lack of clarity of needs and priorities results in delays in planning of activities | Needs assessments and regular consultations with project beneficiaries will be used to identify and prioritize the areas of assistance*.* | Project Coordinator | Last updated on 15 June 2019  The project is iterative – in terms of the areas that it chooses to work on, partners it brings on board, and methods that it applied in different contexts. | no change |
| 8 | Alternative finance mechanisms have difficulty scaling | December 2015 | Strategic | P=3  I=4  Challenges in mainstreaming and upscaling alternative finance mechanisms will affect project results. | Project viability is already being tested out through other IRH initiatives.  Project progress will be tracked and recorded, allowing for a compendium of lessons learned. | Project Coordinator  Project Board  Advisory Board | Last updated on 15 June 2019  In the first phase, the Lab was set to support (in)formal citizen and other groups, government partners, business and others who are willing to experiment with some of the emerging finance mechanisms. Through this output, the work of the Lab will be further promoted, moving from recognizing promising areas and pilot projects, to creating success stories and upscaling them to the regional level. | reducing |
| 9 | Lack of participation of nongovernmental organizations, private sector, media and citizens | December 2015 | Operational | P = 3  I = 3  Limited engagement of citizens and civic groups. | The project has one component that heavily relies on the engagement with civic groups. | Project Coordinator  Advisory Board  Country Offices | Last updated on 15 June 2019  Low public trust, evident in the region, presents an obstacle in engagement of citizens in governmental processes.  Project has recently signed an agreement with PONTIS foundation which allows it to work across the different regions in creating a collaborative practice.  In addition – project has also sought to explore the future role of new civil society and how it is manifesting itself. | no change |
| 10 | Project support in partner countries is not sufficient | December 2015 | Operational | P = 4  I = 4  Insufficient project support results in delays in planning and implementation of activities | Focal points need to be appointed in different COs.  Cooperation framework to support mini projects shall be agreed to support successful implementation of project activities. | Project Coordinator  Country Offices | Last updated on 15 June 2019  UNDP Country Offices are already under significant strain in delivering their results and imposing an additional facility may create unreasonable delays in implementation and poor results. | no change |
| 11 | Exchange rate fluctuation | March  2014 | Financial | P=4  I=3  Exchange rate fluctuation can result in lack of financial resources for implementation of planned project activities or in under-delivering based on the plan. | Close monitoring to ensure early actions. | Project Coordinator | Last updated on 15 June 2019  Volatility of the exchange rate may affect the delivery of the project, however this is beyond the scope of the project management team. | no change |

**Annex III:** Annual Work Plan for (next year)

**Annex IV:** Assets List.

You may also include relevant copies of media coverage, publications, etc.

1. Disclaimer 1: Data contained in this financial report section is an extract of UNDP financial records. All financial provided above is provisional. Certified financial statements will be provided on <indicate date (30 June of the following year)>. [↑](#footnote-ref-2)
2. Disclaimer 2: Of the USD xxxxx presented above, USD xxxx corresponds to eligible expenses (as per IPSAS terminology), and USD xxxx corresponds to legal commitments in force between UNDP and third parties for the reporting period. [↑](#footnote-ref-3)