



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE (TOR)

for

UNIDO Project “Industrial cooperation programme in the Global South through technology transfer from Japan” (Project ID 240001)

Date: 3 June 2024

1. Background Information and Aim of the Project

Developing and emerging countries, known as the Global South, account for three-quarters of the world's population and are now encountering a diverse range of immediate challenges to address under the current volatile geopolitical situation. Many of the challenges are common to developed countries but some issues are endemic to the Global South, for example food insecurity, access to resources, inequality and poverty, which require more know-hows, resources and capacities to resolve qualitatively and quantitatively. Global South countries are confronted with different type of vulnerabilities, despite their influential position in the political and economic agenda. The industrial infrastructure relying on oil and gas sectors and the excessive dependence on primary industries easily affected by the fluctuation of global food prices are typical examples. In recent years, their fragile industrial structures have been further exacerbated by series of global challenges. The climate change discussions towards low-carbon societies are a pressing issue for the Global South to transform the industrial architecture. While economic growth is primarily prioritized in Global South countries, they need to balance between the use of fossil-based fuels and the CO₂ reduction, which is a big dilemma for those countries.

Therefore, developed countries are encouraged to provide support to the Global South with an aim at strengthening economic competitiveness and resilience of the countries in the Global South and achieving mutual benefits, thereby tackling complex global challenges.

Under the leadership of the 2023 Group of 20 (G20) host country India, the Voice of Global South Summit 2023 was held online on 12-13 January 2023. It was widely recognized that the challenges typically faced by the Global South include environmental conservation; climate change; shortage of food, fuel and fertilizer; energy security; renewable energy; alternative energy; supply chain diversification; infrastructure development; development of digital public goods in the financial and health sectors; and vocational training and human resource development.

UNIDO is the specialized agency in the UN system, mandated to achieve inclusive and sustainable industrial development (ISID), while possessing the functionality and experience to promote Sustainable Development Goal (SDG) Goal 9. To this end, the Government of Japan has requested UNIDO to support the sustainable industrial development of the countries in the Global South through investment promotion, new businesses development and technology transfer from Japan, by assisting in and strengthening cooperation between Japanese companies and partners of the Global South. It will eventually contribute to the overall industrial development and economic growth in the entire region of the Global South.

The main objective of the Project is to support the development of new businesses in countries of the Global South, in the form of demonstrations, through cooperation and co-creation between Japanese

companies and partners of the Global South by providing effective and innovative technological solutions possessed by Japanese companies to address challenges currently faced by the Global South countries.

The expected outcomes are to generate new businesses and employment opportunities in Global South countries through technology transfer and skills development from Japan, which include, among others, fostering of innovation, strengthening of resilient value chains, and establishment of networks of industrial infrastructure in the implementation countries.

2. Purpose of the Call for Proposals

The purpose of this Call for Proposals is to identify and select Japanese companies that will implement demonstrations of technologies aligned with the background and the aim stated above for the eleven technological areas listed in "3.1 Targeted technical areas"

3. Scope of the Required Activities

Selected applicants/grant beneficiaries are expected to conduct the activities detailed in 3.1.

There will be 2 phases of the required activities.

The first phase is the **Implementation Period**, which expects grant beneficiaries to implement the demonstration of technologies or business models while conducting capacity building activities. It is expected that this phase will complete within maximum 3 years.

The second phase is the **Follow-up Period**, where implementors are expected to scale up the demonstrated technology and business models into a realistic business in the target country(-ies). The progress of the follow-up activities shall be reported to UNIDO for the 3-year period after the demonstration. The cost for the follow-up activities and the reporting is not covered by the grant.

3.1 Targeted activities

Grant beneficiaries are required to conduct, mainly: 1) demonstration of technologies and/or business models, and; 2) capacity building activities, in the host country(-ies) by making full and good use of the UNIDO grants.

3.1.1 Demonstrations

Demonstration is to confirm effectiveness and economic feasibility of technologies or business models using technologies that are at the stage of practical application. Demonstration is the stage after feasibility studies but still requires detailed on-site verification before developing into the real business or commercialization stage.

Grant beneficiaries will be required to conduct demonstrations of the technologies that are already confirmed as feasible through a feasibility study or equivalent already conducted at the time of this application submission.

Demonstration includes, among others;

- Installing and commissioning of the demonstrating technologies on site in a host country
- Testing the operation of the technologies/ business models
- Verifying the effectiveness and economic feasibility of the application in a host country

During the demonstrations, several reports and documentations shall be submitted to UNIDO, including;

- Inception report and work plan (Updated demonstration plans and capacity development activities plans)

- Progress reports and final report
- Follow-up reports
- Environmental and Social Safeguards compliance documents
- Report on respecting human rights
- Report on supply chain and procurement plan

Details of reporting requirement can be found in the 4. Deliverables and Timeframe.

3.1.2 Capacity building activities

Capacity building is an essential element to accomplish a demonstration project successfully. Also, in order to accomplish a demonstration successfully, then to expand into the commercialization stage, trained human resources are crucial. Furthermore, stronger value chains and better industrial infrastructure need to be materialized in a host country, where human resource development infrastructure is often weak. It is imperative to consider how to foster human resources for the whole industry supply chain and beyond.

Accordingly, a proposal is expected to incorporate elements of human resource capacity-building activities like the followings:

- Trainings on operation and maintenance of demonstrating technologies
- Education on relevant engineering and basic science
- Workshops to disseminate aims and positive outcomes of the demonstrated technologies and commercialization for local communities
- Collaboration/cooperation with national and local Technical and Vocational Education and Training (TVET) institutions or academia such as universities and research institutions
- Collaboration with community educational centres

3.2 Targeted technical areas

Grant beneficiaries shall conduct a demonstration in the following eleven technical areas which Japanese companies are considered to have competitive advantage and to lead Global South countries to innovation, stronger value chains, and better industrial infrastructure.

3.2.1. Critical minerals

Critical minerals include minerals which are used for manufacturing components and devices that are indispensable for realization of GX (Green Transformation) and DX (Digital Transformation) worldwide. Such components and devices include high performance semiconductors, high performance solar cells, high performance memory devices, batteries, high performance magnets, high performance catalysts, etc. Any technologies to cover any part of the entire value-chain of those minerals, including exploration, production, refining, value-addition, etc., can be applied for the project.

3.2.2. New clean energies

New clean energies include energies which are produced from renewable sources, such as solar, wind, geothermal, ocean (tide and stream), and hydro, etc.

Hydrogen and Ammonia which can be produced from those renewable energies are also included.

Any technologies to cover any part of the supply-chain of those renewable energies and Hydrogen/Ammonia, including generation/production, transportation, storage, distribution, and management.

3.2.3. Smart energy

Smart energy includes any technologies to support conservation of energy uses or reduction of energy intensity by employing energy-efficient devices/materials/systems including so-called “smart-grid” network.

Energy-efficient devices/materials/systems include any devices/materials/systems to help energy users to save energy consumptions including electricity, fuels and heat.

3.2.4. Industrial decarbonization

Industrial decarbonization includes any technologies to reduce carbon dioxide emission from various range of industries, especially iron/steel manufacturing, chemical manufacturing, cement manufacturing, paper/pulp manufacturing, and electric power generation (coal-fired and oil-fired).

3.2.5. Sustainable manufacturing

Sustainable manufacturing includes any manufacturing technologies to increase resource-intensity (to improve efficiency of use of materials, water, and energy) and productivity, including employing resource-efficient production methodologies and technologies or any technology for partially or entirely modernizing the current system to sustain longevity of the machinery yet improve efficiency and productivity.

Sustainable manufacturing also includes any manufacturing technology to be enduring considering the present human resources and infrastructure of the host country and region.

3.2.6. Healthcare

Healthcare includes any technologies to assure wider coverage of people for their better access to medical services both in diagnosis and treatment.

3.2.7. Circular economy

Circular economy includes technologies and/or practices that improve circularity of material and products so that value embedded in the material or products can be kept retained in the value chains. Such technologies may include technologies to improve product design or apply 3Rs (reduce, reuse and recycle) or improving collection/ assembly system to circulate materials, components, and products.

In addition, such technologies to reduce waste or wastewater or unused part of materials by improving circularity are also included.

3.2.8. Food sustainability

Food sustainability includes technologies that support the host country to realize a sustainable food system that delivers food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised. The system encompasses everything from the processing, packaging and the transporting of food to consumers.

3.2.9. Mitigation and adaptation of climate change

Mitigation of climate change includes any technology to support the host country and regions to alleviate the global warming, and adaptation of climate change includes any technologies to support them to adjust their industries, social systems and life-styles of households to effects of the climate change.

The coverage of this category is quite wide, from changing agricultural/fishery/forestry patterns, changing industrial structures, changing value-chain compositions, infrastructural development and maintenances, and supports to household activities to etc.

3.2.10. Quality infrastructure

Quality infrastructure includes any technology to increase the quality of industrial infrastructure and lives of wide-ranging households and people.

3.2.11. Digital-oriented manufacturing

Digital-oriented manufacturing includes any kind of manufacturing technologies by taking advantage of digital technologies and ICT in the processes of design, proto-type, mass-production, distribution and maintenance, to achieve more advanced and value-added manufacturing industries. Such technologies may typically include 3D printing, artificial intelligence, robotics and other related technologies categorized in Industry 4.0.

3.3 Target countries

Targeted countries where demonstrations and capacity building activities shall be conducted are those that meet all the following criteria.

- The UNIDO Member States¹
- Global South countries, that is, the developing countries in Africa, Asia, the Caribbean, Eastern Europe, Latin America, Middle East and Oceania
- ASEAN countries and Ukraine are, however, excluded according to the request by the donor, the Government of Japan.

The proposed demonstrations and capacity building activities shall be implemented in one or more of the Global South countries.

Countries where demonstrations and capacity building activities will be conducted are called host countries in this TOR.

3.4 Implementation period and follow-up period

3.4.1 Implementation period

- The implementation period is the period to conduct a demonstration and capacity building activities. It starts when the grant agreement becomes effective and **the maximum length shall be up to three (3) years.**
- All demonstrations and capacity building activities must be completed **by the end of March 2028.**
- Demonstrations and capacity building activities are conducted during this period with the grants and supports provided by UNIDO.
- If a demonstration or capacity building activities could not finish by the end of March 2028 for any reasons, only grants to cover the cost of the demonstration and the capacity building activities that have incurred until the end of the implementation period will be paid to the grant beneficiary.

3.4.2 Follow-up period

- The follow-up period is three (3) years after completing the demonstration.
- During the follow-up period, UNIDO will monitor the progress of commercialization after the demonstration. For this purpose, grant beneficiaries are required to deliver Follow-up reports as prescribed in 4.1.4 Follow-up reports during the follow-up period.
- The grants do not cover the cost for preparation or submission of the Follow-up reports during this period.
- UNIDO will hold promotional events to disseminate good results and lessons learned the demonstrations, and also will conduct analytical research on technology-transfer-support project, utilizing this project results. For these purposes, grant beneficiaries are requested to contribute to the promotional events and the research as prescribed in 10. Collaboration to Promotional Events and Analytical research.

3.5 Size of grants and co-financing requirements

- **Applicants other than SMEs²** shall provide co-financing of **at least 50%** of the total amount of demonstrations and capacity building activities;
- **Applicants of SMEs** shall provide co-financing of **at least one third (1/3)** of the total amount of demonstrations and capacity building activities;

¹ [Member States | UNIDO](#)

² SMEs are entities defined by Japan's Small and Medium Enterprises Basic Act.

- **Minimum amount of grants** for each proposal should be USD 4 million (excluding applicants' co-financing);
- **Maximum amount of grants** for each proposal should be USD 29 million (excluding applicants' co-financing).;

4. Deliverables and Timeframe

Grant beneficiaries are required to deliver the following deliverables according to the specified timeframe.

All the reporting under grant agreements shall be provided to UNIDO in one (1) electronic copy, consisting of the following electronic files:

- PDF file
- Original work files (MS Word, Power Point, Excel, etc.)
- Moreover, documents to be supported with pictures/videos for visibility purposes

The electronic copy can be provided via e-mail, if the nature and size of the files make it possible. Otherwise, the electronic copy should be provided through cloud storage application as per UNIDO's instructions.

Requested reports should be provided in **English**. UNIDO may request reports in Japanese and/or the language(s) of the host country(-ies) when required.

4.1 Inception/Progress/Final/Follow-up reports

Grant beneficiaries shall submit the following reports at the indicated timing. See the summary of required reports in the attached diagram below. The exact deadline to submit each report will be specified in respective grant agreements.

If and when the progress of technology demonstration is not according to the scheduled timelines or with the required quality, UNIDO may request the grant beneficiary to revise the demonstration/capacity building activity plans or recommend the demonstration/capacity building activities be suspended.

4.1.1. Inception report within 1 month after concluding the grant agreement:

- A updated demonstration plan and a capacity building activity plan for the implementation period;
- Any changes from the approved proposal; and
- Reports on expenditures in the given reporting period and respective invoices.

4.1.2. Progress reports while the grant agreement is effective:

- Progress reports on the demonstration and the capacity building activities 1) at six months and 2) at one year after the grant agreement becomes effective;
- A plan for next six months; and
- Reports on expenditures in the given reporting period and their invoices.

4.1.3. Final report at the end of the grant agreement:

- A final report within thirty (30) days from when the demonstration is completed;
- The final report shall include the detailed information including the following:
 - Executive summary
 - The planned demonstration and the capacity building activities
 - Main achievement of the demonstration and capacity building activities
 - Achievement of KPIs that the grant beneficiary and UNIDO set together at the beginning of the demonstration
 - Expenditures report (total amount and expenses by item) and respective invoices

- A business plan after the demonstration. The business plan shall be one updated from the business plan grant beneficiaries submitted at the proposal.

4.1.4. Follow-up reports during the follow-up period

- Follow-up reports on the business at the end of every year.
- The follow-up reports shall include the detailed information on the situation of the business and/or the continuing demonstration after the demonstration implemented with the grant

4.2 Environmental and Social Safeguards compliance documents

Grant beneficiaries will be informed on E&S Screening (ESS) category determined by the UNIDO ESS expert based on the ESS screening template submitted at the application.

Grant beneficiaries shall submit the necessary ESS compliance documents as per the following, soon after the grant agreement becomes effective.

The proposed demonstration will be classified as Category A, Category B, Category C or No Project.

- (1) If the demonstration is classified as **Category A**, the grant beneficiary shall conduct an Environmental and Social Impact Assessment (ESIA), and then shall develop an Environmental and Social Management Plan (ESMP) based on the results of the ESIA. Relevant reports on ESIA and ESMP shall be submitted to UNIDO within 6 months after the grant agreement is concluded.
- (2) If the project is classified as **Category B**, the grant beneficiary shall develop an ESMP. A relevant report on ESMP shall be submitted to UNIDO within 6 months after the grant agreement is concluded.
- (3) If the project is classified as **Category C**, no actions are required from the grant beneficiaries.
- (4) If the demonstration is classified as **No Project**, the selected applicant will be requested to review the proposed demonstration and shall resubmit the demonstration plan before proceeding to concluding a grant agreement, so that the demonstration could be reclassified as Category A, Category B or Category C. In addition to the UNIDO's ESSPP requirements, the grant beneficiaries shall identify and comply with the ESSPP of a host country(-ies) in their own responsibility. The grant beneficiaries shall submit the evidence on complying with the host country's ESSPP **within 6 months** after the grant agreement is concluded.

4.3 Report on respecting human rights

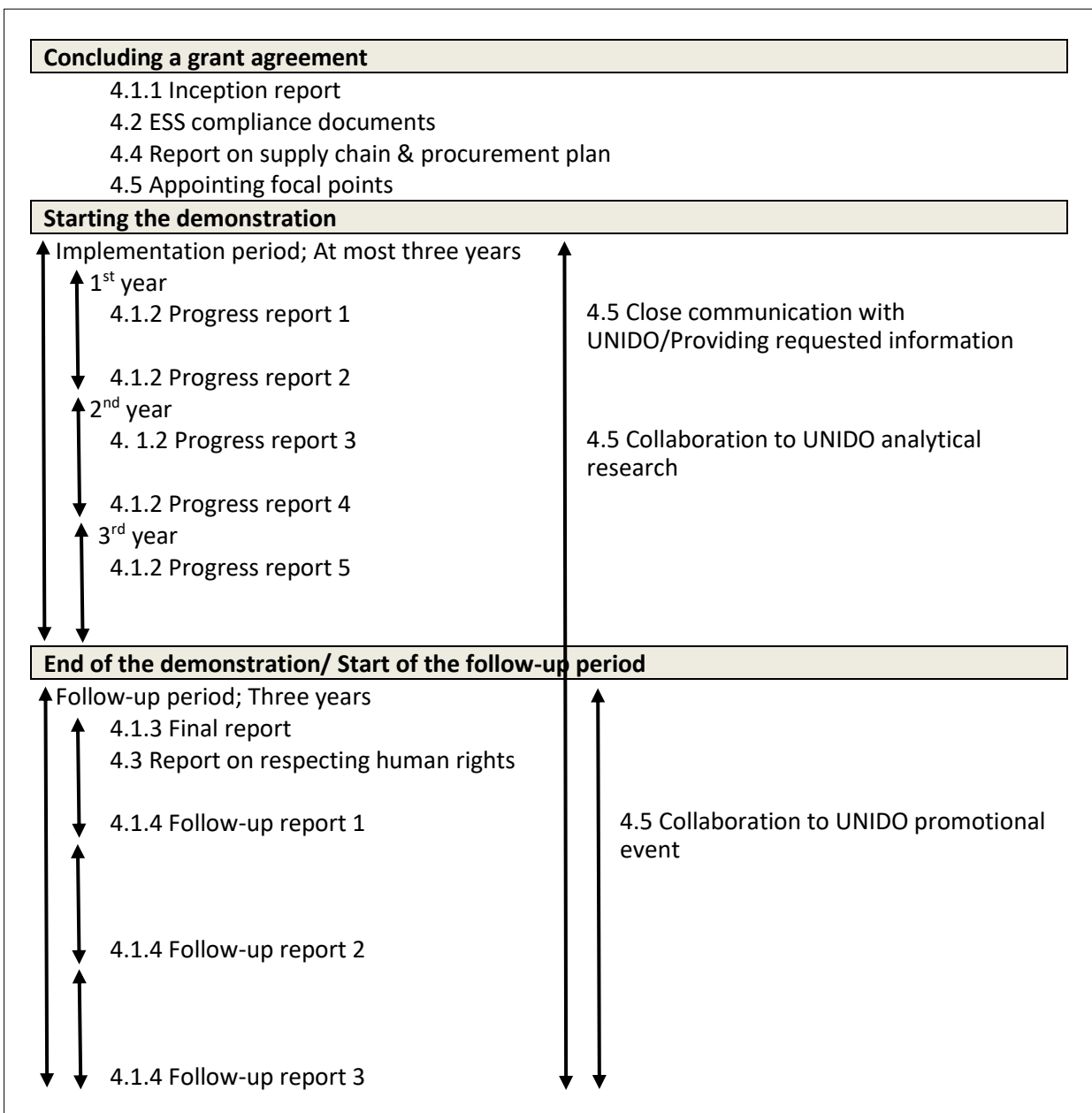
- (1) Grant beneficiaries that are not SMEs shall submit the report "*Status of Efforts to Respect Human Rights*", using the format APPENDIX 6, when they submit the final report. They are requested to make efforts to respect human rights based on the "*Guidelines for Respect for Human Rights in Responsible Supply Chains*", which the Government of Japan has set. UNIDO supports such donor's action and requests grant beneficiaries to follow the donor's guideline and to submit the report.
- (2) UNIDO will publish the submitted reports.

4.4 Report on supply chain and procurement plan

- (1) Grant beneficiaries shall submit the report "*Sustainable supply chain assessment*", using the format APPENDIX 7, soon after the grant agreement becomes effective.
- (2) If a grant beneficiary reports that some materials to be used in the demonstration are anticipated to be difficult to procure, a procurement plan for each of such item shall be developed in consultation with UNIDO **before the demonstration starts**.

4.5 Others

- (1) Grant beneficiaries shall be requested to collaborate with UNIDO to disseminate the outcomes of the demonstrations/capacity building activities possibly after the demonstration period. (cf. “10. Collaboration to Promotional Events and Analytical Research”)
- (2) Grant beneficiaries shall appoint a focal point and be requested to collaborate with UNIDO, that will conduct analytical research on technology-transfer-support projects during the demonstration and the follow-up period. (cf. “10. Collaboration to Promotional Events and Analytical Research”)
- (3) During the demonstration and the follow-up periods, grant beneficiaries shall provide information that UNIDO requests for the purpose that UNIDO will improve the quality of selected demonstrations/capacity building activities and the UNIDO’s grants project implementation scheme. Some of such information might be shared with the donor of this project, the Government of Japan.
- (4) Close communication between UNIDO and grant beneficiaries other than the above reporting shall be always maintained during the demonstrations and capacity building activities.



5. Requirements for proposals by applicants

Applicants are kindly requested to complete the following application forms and submit them as part of the grant proposal:

APPENDIX 1 - Application Form for Selection of Grants with proposal templates

APPENDIX 2 - Statement of Confirmation

APPENDIX 3 - Model Grant Agreement and General Conditions

APPENDIX 4 - UNIDO Environmental and Social (E&S) Screening Template

APPENDIX 5 - UNIDO Gender Compliance and Market Form

APPENDIX 6 - Status of Efforts to Respect Human Rights

APPENDIX 7 - Sustainable Supply Chain Assessment

APPENDIX 8 - UNIDO Bank Information Form

APPENDIX 9 – Detailed Cost Breakdown of the Total Project Cost

A. Qualification documents to be submitted

Applicants shall submit the following documents to be qualified for grant application:

- (1) A copy of certificate of incorporation;
- (2) A consortium agreement, signed by all participating parties, if applicable;
The nomination of the lead firm of the consortium and the roles and responsibilities of each partner under the consortium to achieve the deliverables should be clearly defined in the consortium agreement. The lead firm should be the sole applicant for the CfP.
- (3) Audited financial reports and financial statements for the last three years (including capital breakdown) on a stand-alone basis;
- (4) A signed statement that the applicant has never broken any laws or have never been blacklisted by any government or any private or bi-lateral/multi-lateral financial institution, and the applicant are not under any such investigation or litigation related to fraud or improper conduct.
[If an applicant were blacklisted by any government or any private or bi-lateral/multi-lateral financial institution but has already been released by the blacklist.]
Proof that the applicant has been released from the blacklist, if applicable;
- (5) Duly filled-in and signed “UNIDO Statement of Confirmation” form (APPENDIX 2);
- (6) A statement for the “Acceptance of model Grant Agreement and model General Conditions” (APPENDIX 3);
- (7) Duly filled-in and signed “UNIDO E&S Screening Template” (APPENDIX 4);
- (8) Duly filled-in and signed “UNIDO Gender Compliance and Marker Form” (APPENDIX 5); and
- (9) *[In the case that the applicant is not SMES.]*
Duly filled-in and signed “Status of Efforts to Respect Human Rights” if applicable (APPENDIX 6)

B. Technical Proposal

For the grant application, UNIDO requests applicants to submit not only a demonstration plan, but also feasibility studies or equivalent reports, that prove a demonstration of proposed technologies/business models on-site is required. A detailed business plan should prove that the applicant is ready to expand the demonstrated technologies/business models to the real commercialization stage once the result of the demonstration meets their expectation.

In this CfP, UNIDO supports only applications that starts from the demonstration stage, but not those that starts from feasibility studies. Accordingly, UNIDO requests applicants to present a proof that they have already conducted F/Ss and the result was satisfying for the applicants to proceed to the demonstration stage.

Furthermore, UNIDO wants to select applicants who have high potential and probability in developing the technologies/business models realistically into the business opportunities after successfully conducting

the demonstration. A business plan therefore should illustrate in detail the process that lead into such business development phase after the proposed demonstration.

Applicants shall submit a technical proposal following the structure below and consisting of the following elements:

B.1 Demonstration plan

The demonstration plan shall present the items below.

- (1) Demonstration title
 - The applicant shall have the demonstration title.
- (2) Global South country(-ies) the demonstration will be implemented
 - The host country(-ies) shall be one or some of the Global South countries. Please refer to the definitions of the Global South countries shown in 3.3 Targeted countries.
 - Applicants shall show the reasons to target such Global South country(-ies) as the host country (-ies).
- (3) One or two technical area(s) of the following eleven technical areas:
 - The technical areas of the demonstration shall be no more than one or two of these areas listed below. Please refer to the definitions of each technical area shown in 3.2 Targeted technical areas.
 - ① Critical minerals
 - ② Clean new energy
 - ③ Smart energy
 - ④ Industrial decarbonization
 - ⑤ Sustainable manufacturing
 - ⑥ Healthcare
 - ⑦ Circular economy
 - ⑧ Food sustainability
 - ⑨ Adaptation and mitigation of climate change
 - ⑩ Quality infrastructure
 - ⑪ Digital-oriented manufacturing
- (4) Summary of the demonstration plan (approximately 10 to 20 lines)
- (5) All the implementors
 - Implementors mean the applicant as well as all the member companies of the consortium (if applicable), that is, the entity or the entities that will implement the proposed demonstration.
 - a) Names of all the implementors and their addresses (country, city) and sectors of businesses
 - b) Company brochures or any documents briefly introducing the profiles of all implementors
 - c) The roles and responsibilities of each implementor to implement the proposed demonstration.
 - d) If the applicant is an entity registered in Japan (*cf.* 6.1 Qualification Criteria 1-1)), the applicant shall describe the reasons to have selected those local implementors including their roles and the capacity to play the roles.
If the applicant is an entity registered outside of Japan (*cf.* 6.1 Qualification Criteria 1-2)), the applicant shall describe whether the headquarters in Japan acknowledges the applicant's applying for this CfP and what the headquarters' role in the implementation of the proposed demonstration.
- (6) All the stakeholders in the host country(-ies) and the relationship between them and the implementors
 - It is important that stakeholders in host countries are identified in advance such as the government, local governments, aid organizations, business associations, universities, and

community groups so that the demonstration will be smoothly implemented. UNIDO field offices³ responsible for the host countries should be included, if applicable.

- If the applicant has already obtained any support letter from the government of the host country(-ies), the applicant shall specify it in the technical proposal and attach a copy of the letter(s).⁴

(7) Objectives and methodology

- a) Technologies and/or business models that will be demonstrated;
Applicants shall clarify the elements of technologies and/or business models that need further demonstration after completing a feasibility study. (*cf.* B.2 below).
- b) Social issues of the host country(-ies) that the demonstration will target to solve;
If the demonstration will target to solve gender-related issues, applicants shall articulate them as well.
- c) Conformity with sustainable economic and industrial development policy;
Applicants shall show that the demonstration conforms with the priorities of the national or regional sustainable economic and industrial development policy by referring to the policies of the host country(-ies). Submitting a letter (a copy of the letter) by the government or local government showing their support to the demonstration will be considered as a plus at the selection. Also, the proposal will be considered as a plus if the applicant shows the demonstration conforms with the country's United Nations Sustainable Development Cooperation Framework by referring to it (reference: [UNCT Key Documents](#));
- d) Novelty of the technologies and/or business models
Applicants shall describe quantitatively and/or qualitatively the novelty of the demonstration by comparing the other technologies and/or business models;
- e) Time schedule of work; Applicants shall present a workplan with activities outlined with timeline. (*cf.* The implementation period in 3.4 Implementation period and follow-up period.)
- f) Measures to encourage women's empowerment in the design of the technology and/or the business model to demonstrate;
- g) Objective reasons to believe that the demonstration will achieve the expected successful outcomes. Such reasons may include the following business conditions:
 - Current and future expected demand for products/services made using the demonstrated technologies/business models, both in local and international markets;
 - Existence of supporting industries in the host country(-ies) that make the production using demonstrated technologies/business models viable, competitive and sustainable in the commercialization stage;
 - Adequate labour supply with the required skills and education in the host country(-ies)
 - The infrastructure, logistic, energy, and regulatory and institutional conditions in the host country(-ies) that make commercialization and scaling up possible.
- h) Measures to manage or mitigate risks that can prevent the implementors from implementing the demonstration and achieving the expected successful outcomes;
- i) Monitoring and evaluation methodology and a plan to assess the progress and the final achievement.
- j) Successful outcomes applicants aim to achieve as the result of the demonstration;
Applicants shall set measurable and verifiable targets, along with their current status.

(8) Workforce plan to implement the demonstration

- The workforce plan shall include the items below.
 - a) List of the members and the role of each member of the team that will implement the demonstration;
 - b) The leader's and key persons' CVs showing they have expertise and experience necessary to implement the demonstration in Global South countries;

³ <https://www.unido.org/about-us/who-we-are/unido-worldwide>

⁴ UNIDO exchanges a letter with host countries in order to start demonstration projects. If the applicant already obtained any kind of a support letter from the host countries, it can expedite the process of exchanging a letter between UNIDO and the host countries.

- c) Liaison with UNIDO;
Applicants shall appoint a liaison person(s) to manage the progress and report to UNIDO.
- d) Records of applicants and major members of the implementors showing their business experiences similar to the proposed demonstrations in Global South countries;
Applicants shall present that they and members of the implementors have similar businesses in other Global South countries or have any businesses in the proposed host country(-ies);
- e) The percentage of women in technical and leadership positions in the implementation team; and
- f) Existing corporate policies on fostering gender equality, enabling workforce environment for all and zero tolerance against harassment, including sexual harassment.

B.2 Result of feasibility study (F/S) or equivalent, and explanation on how its result is used to develop the demonstration plan

- (1) Applicants must have already completed a F/S or equivalent pre-study showing the validity to implement the proposed demonstration, which shall be submitted as part of the proposal.
***Grants do not cover the cost of the F/S.
- (2) Applicants shall present who conducted the F/S and when it was concluded.
- (3) Applicants shall submit a paper that includes and explains the below.
 - Reasons that the technologies/business models need the proposed demonstration by referring to specific results of the F/S.
 - If applicable, reasons why the host country(-ies) and some members of the implementors are different from those the F/S assumed.

B.3 Business plan

The business plan shall present how to scale up results of the demonstration to the real business opportunities. The business plan shall describe a plan for the seven years following the demonstration. However, the activities to realize the business plan shall not be covered by the UNIDO grants.

The business plan shall present, among others, subjects as shown below.

- (1) Plan to customise and adapt the demonstrated technology/business model for economic, social and environmental conditions in the host countries;
- (2) Time schedule of work;
- (3) Employment and workforce development plan;
- (4) Anticipated level of annual investment required; and
- (5) Estimated stream of annual profits

If the forecast is expected to vary depending on the result of the demonstration, the business plan shall present possible range of business opportunities and associated changes based on certain patterns of the demonstration results.

If the demonstration is not completed in the implementation period defined in 3.4.1 Implementation period, the remaining demonstration activities can be transferred into the follow-up stage as part of the business plan, and continue and complete them. The remaining demonstration activities, however, shall not be covered by the UNIDO grants.

B.4 Capacity building activity plan

The capacity building activity plan shall present how workforce training in the host country(-ies) can be organized and implemented in order to accomplish the demonstration as well as to pursue the business plan after the demonstration. Various costs incurred by the capacity building activities to implement the demonstration plan shall be covered by the UNIDO grants. However, such costs to implement the business plan after the demonstration shall be borne by the applicant themselves.

- (1) Applicants shall describe a plan to implement the demonstration plan and the business plan following the demonstration. The plan shall present the number of people trained by types of skills or jobs, and the training programmes and methods to be applied.
- (2) The plan shall present the percentage of women to the total number of people who will be trained. The plan shall indicate how the indicated percentage of women's participation will be achieved, including, for example, the envisaged quota, communication strategy to stakeholders; specific outreach activities to relevant women's networks and associations; consideration to family-friendly training times, locations, and facilities.
- (3) The proposal will be regarded positively if the plan covers innovative and practical ideas in fostering people who are not necessarily working directly for the implementation and the commercialization, but within wider supply chains of the demonstrated technology fields or the related industry sector in the host country(-ies), and the neighbouring country(-ies).
- (4) If the implementors of the capacity building activities are different from those to implement the demonstration, the capacity building plan should propose prospective implementors to be engaged with.

B.5 Awards records

Applicants, who are considered as SMEs, shall submit proofs of public recognitions such as the following:

Applicant or technology owned by the applicant has been:

- registered in UNIDO ITPO Tokyo STePP;
- acknowledged by J-Startup;
- adopted by J-STARX; or
- recognized at events organized by the United Nations or Japanese public organizations.

B.6 Sustainability and scaling up from demonstration to business stage

In technical proposal, applicants shall describe the prospective sustainable development passage of the demonstrated technologies and/or business models from the current statuses through the expected changes, to the set targets in the following economic and social aspects. These shall include key performance indications to measure the achievement level of the demonstration and also to grasp the scale of commercialization.

| | | Current | At the end of the demonstration | 3 years after the demonstration | 7 years after the demonstration |
|--|---|--|---------------------------------|---------------------------------|---------------------------------|
| Economic areas | Sales (USD) | | | | |
| | Describe how the sales are estimated. (*1) | <Expand this space to accommodate all the description. The same shall apply the spaces below.> | | | |
| | Profits (USD) | | | | |
| | Describe how the profits are estimated. (*1) | | | | |
| | Market share in the world (% - company sales / total industry sales) | | | | |
| Market share in the host country (% - company sales / total industry sales) | | | | | |

| | | | | | |
|--------------|--|--|--|--|--|
| | Describe how the market shares are estimated. (*1) | | | | |
| | Exports to the world (USD) | | | | |
| | Describe how the exports are estimated. (*1) | | | | |
| Social areas | Employment (# of employment) | | | | |
| | (% of women in total) | | | | |
| | Describe how the employment is estimated. (*2) | | | | |
| | Number of trained people (# of trained people) | | | | |
| | (% of women in total) | | | | |
| | Describe how the number of trained people is estimated. (*3) | | | | |

(*1) These estimates and the description should be aligned with B.3 Business plan.

(*2) The estimate and the description should be aligned with B.1 Demonstration plan, Workforce plan to implement the demonstration.

(*3) The estimate and the description should be aligned with B.4 Capacity building activity plan.

In the table below, applicants shall provide quantitative and/or qualitative information for the following items also to measure the achievement level of the demonstration and to grasp the scale of commercialization after the demonstration.

| | At the end of the demonstration | 7 years after the demonstration |
|---|---------------------------------|---------------------------------|
| The investment effect for applicants; Describe quantitatively using ROIC or any indicators the applicant usually uses to measure its investment effect. | | |
| Describe whether the ROIC above is satisfactory to the applicant. (*4) | | |
| How the demonstrated technologies/business models will spread from the demonstration site to other regions or other Global South countries. (*4) | | |
| How the demonstrated technologies/business models and the commercialization will contribute to strengthen supply chain locally and globally; | | |
| Possibility that the demonstration will contribute to the industrial policy or technology policy related to the sector of the demonstrated | | |

| | | |
|--|--|--|
| technologies/business models in the host countries. | | |
| Possibility that applicants will obtain new intellectual property or knowledge and conceive new ideas for innovation other than the proposed demonstrations. | | |
| Possibility that the economic relations between the host country(-ies) and Japan will be strengthened, creating opportunities for Japanese companies to conduct more demonstrations and businesses activities. | | |

(*4) These estimates and the description should be aligned with B.3 Business plan.

C. Financial Proposal

The financial proposal shall take into account the following. Proposals that failed to fulfil any of the below shall be considered as non-eligible for the present grants programme.

- Applicants, other than SMEs, shall provide a proof of co-financing of at least 50% of the total amount of demonstrations and capacity building activities;
- Applicants of SMEs shall provide a proof of co-financing of at least one third (1/3) of the total amount of demonstrations and capacity building activities;
- **Minimum amount of grants** for each proposal should be **USD 4 million** (excluding applicants' co-financing);
- **Maximum amount of grants** for each proposal should be **USD 29 million** (excluding applicants' co-financing);
- The expenses covered by grants are to finance costs incurred for the execution of demonstrations and capacity building activities **ONLY**.
- Cost for purchase of land is **NOT** covered.
- Applicants should submit a financial proposal in USD currency. The applicant should have a bank account in that currency to receive payments from UNIDO.
- Applicants may transfer the grants to the implementors of demonstration or of capacity building activities. Applicants, as the grant beneficiaries, are responsible for complying with the grant agreement and shall manage implementors to comply with the grant agreement.
- Retro-active financing from the present grant programme is not acceptable. That is, grants must not cover activities that have already started or concluded before reaching to a grant agreement with UNIDO.
- Double funding of activities is not acceptable. Double funding occurs if a grant is paid for an activity that is already financed by another source. Furthermore, UNIDO grants must not be used to pay back loans from the applicant's past and/or ongoing activities.

Applicants shall submit a financial proposal consisting all of the following elements:

- (1) Total cost to implement the demonstration and capacity building activities;
- (2) Detailed cost breakdown of the total cost (1) by showing the amount of each cost item; Applicants shall clearly indicate which cost items should be funded by the UNIDO grants and other items to be funded by co-financing. It shall also present the total amount of the respective cost items, that are to be funded by UNIDO grants and by co-financing separately.
- (3) Breakdown of the co-finance, that is, the applicant's own resource, borrowings, or grants from other than UNIDO; Applicants shall provide evidence of the source and the amount of each breakdown.

If borrowings or grants are by public organizations, specify the names of such organizations. If borrowings or grants are by local or regional organizations in or around the host country(-ies), specify the names of such organizations.

- (4) Cost breakdown shall include items to be procured or outsourced by the grant. If such cost items are expected to exceed more than EUR 40,000, the financial proposal shall include a presentation of competitive quotes from more than two suppliers.

If such competitive quotes are not yet available for the financial proposal, the applicant, if selected, shall submit a result of selection of a supplier from competitive quotes for required items, and obtain an approval from UNIDO in advance to the actual purchase of them. Purchasing of any of such items without UNIDO's consent, or when UNIDO determines the competitive quotes are not acceptable, UNIDO may decide the grant shall not be provided to the procurement or outsourcing.

*****Considering the aim of the project of “providing effective and innovative technological solutions possessed by Japanese companies to address challenges faced by the Global South countries,” applicants are encouraged, to the extent possible, to procure Japanese goods, technologies and services as long as technical specifications, delivery, price or other conditions are acceptable.**

- (5) Detailed financial plan to describe how to finance the commercialization after the demonstration; Such plan has to be one to realize each element of the business plan the applicant proposes in B.3 Business plan.
- (6) If applicants expect payments in instalments, they shall submit a proposal for payments-in-instalments, including reasons and explanations for each payment. Such a proposal will be given due consideration during the formulation of grant agreement, however a submission of it does not guarantee the proposed instalments will be accepted.

***** Value-added taxes, Import/Export duties**

Payments of relevant value-added taxes and duties are considered as eligible costs for a project demonstration and capacity building activities. Accordingly, financial proposal should clearly identify and itemize expected tax payments associated with project-related purchases of equipment, goods, services, constructions works, or import/export duties, among others, applicable for the project demonstration and capacity building activities both in Japan and a host country(-ies). During the project demonstration, selected applicants, as a grant beneficiary, are responsible for such tax payments following the respective local tax legislations. Further, the selected applicants will be requested to report these tax payments to UNIDO as part of their financial progress reports.

6. Evaluation Criteria

6.1 Qualification criteria

Applicants may be excluded from access to UNIDO funding, pursuant to the UNIDO Policy on Exclusion from Funding, which is available here: https://www.unido.org/sites/default/files/files/2021-12/DGB_UNIDO_Policy_on_Exclusion_from_Funding_0.pdf

Applicants must meet the qualification criteria below to be eligible for funding.

| Qualification Criteria | | |
|------------------------|--|--------------------------|
| 1 | The applicant must be either 1) legal entities registered in Japan (excluding Japanese subsidiaries of foreign legal entities), or 2) legal entities registered outside of Japan but are 100% subsidiaries of or invested by the companies as categorized under 1). The applicant must submit a copy of certificate of incorporation. | YES/NO |
| 2 | In case a consortium is formed for the application, a consortium agreement, signed by all participating parties, shall be submitted. The nomination of the lead firm of the consortium and the roles and responsibilities of each partner under the | YES/NO or Not Applicable |

| | | |
|---|--|--------------------------|
| | consortium to achieve the deliverables should be clearly defined in the consortium agreement, which should be part of the proposal submission. | |
| 3 | The applicant must submit audited financial reports and financial statements for the last three years (including capital breakdown). | YES/NO |
| 4 | A duly signed statement by the authorized representative of applicant that the applicant has never broken any laws or has never been blacklisted by any government or any private or bi-lateral/multi-lateral financial institution, and the applicant are not under any such investigation or litigation related to fraud or improper conduct. If a company has once been blacklisted but it has already been released by the blacklist, the company is cleared from this criterion. In this case, the applicant has to submit a proof of the release. | YES/NO |
| 5 | The applicant must submit duly filled-in and signed “UNIDO Statement of Confirmation” form (APPENDIX 2) | YES/NO |
| 6 | The applicant must submit a statement for the “Acceptance of model Grant Agreement and model General Conditions “(APPENDIX 3) | YES/NO |
| 7 | The applicant must submit duly filled-in and signed “UNIDO E&S Screening Template” (APPENDIX 4) | YES/NO |
| 8 | The applicant must submit duly filled-in and signed “UNIDO Gender Compliance and Marker Form” (APPENDIX 5) | YES/NO |
| 9 | The applicant that are not SMEs ⁵ must submit duly filled-in and signed “Status of Efforts to Respect Human Rights” (APPENDIX 6) | YES/NO or Not Applicable |

6.2 Technical Evaluation criteria

Eligible applications that fulfilled the qualification requirements will be appraised for its technical proposals based on the following technical evaluation criteria listed in the table below.

There are in total nine (9) categories of technical evaluation criteria (numbered in the left side column), each of which is consisted of detailed technical parameters (in alphabetical order). Each technical parameter will be scored from 1 to 5 (corresponding to very poor (1), poor (2), average (3), strong (4), very strong (5)) based on the assessment of extent to which a proposal demonstrates strength. Technical parameters will receive equal consideration within a category, accordingly an average score will be calculated for each category. The score of each category will be weighted by using the pre-determined weight (% in the middle column). Addition of all category scores will be the technical proposal's total score (maximum 100 points).

Technical proposals scored more than 60 points will be considered as technically acceptable.

| Technical Evaluation Criteria | | Weight % | Documents to establish compliance |
|-------------------------------|--|----------|---|
| 1 | Relevance of Feasibility Study (F/S) or equivalent <ul style="list-style-type: none"> a. Issues to study were clearly defined and relevant methods to study the issues were applied. b. The result of the F/S shows themes that need to be demonstrated further. | 10% | <i>Technical proposal:</i> <ul style="list-style-type: none"> • F/S or equivalent |
| 2 | Relevance of technology/business model of proposed demonstration | 20% | <i>Technical proposal:</i> <ul style="list-style-type: none"> • Demonstration plan • F/S or equivalent |

⁵ SMEs are entities defined by Japan’s Small and Medium Enterprises Basic Act.

| | | |
|--|-----|---|
| <ul style="list-style-type: none"> a. The demonstration plan shows elements that were not studied in the F/S and that need further demonstration before moving on to the business stage. b. The demonstration plan clarifies social issues the proposed demonstration will target. c. The demonstration plan conforms with the priorities of the national or regional industrial development policy or United Nations Sustainable Development Cooperation Framework (UNSCDFF). d. The proposed technology/business model to be demonstrated is in a new technological or business areas that are expected to provide solutions to the social issues the applicant targets to solve. e. The proposal has measurable and verifiable targets. f. The demonstration plan is well structured and conceptually well designed, promising a high probability of success to move on to the business stage. g. The demonstration plan identifies and sufficiently articulates potential risks associated with the demonstration's successful outcomes, and shows possible mitigation measures to lower the identified risks. h. The time schedule of work is carefully designed and practical. i. The demonstration plan has a clear monitoring and evaluation methodology and plans to measure achievements of outputs. j. The demonstration will be completed in three years and before end of March 2028. | | |
| <p>3 Relevance of implementation system of proposed demonstration</p> <ul style="list-style-type: none"> a. All the implementors, or the participants of the proposed demonstration, have been identified, and the roles and responsibilities of each implementor has been clearly defined. b. The implementors have similar business experiences in any of the Global South countries. c. The implementors have good working relationship with local stakeholders including the government/local government and UNIDO field offices. d. The leader and the key personnel of the implementors have proven technical expertise and experiences with the proposed technologies for the demonstration. e. The liaison person with UNIDO for technical as well as administrative matters has been identified. f. [In case an applicant is a SME] The applicant has been acknowledged as an excellent SME by public organizations through UNIDO STePP, J-Startup, J-STARX, or any other scheme organized by the United Nations or Japanese public organizations. | 15% | <i>Technical proposal:</i> <ul style="list-style-type: none"> • <i>Demonstration plan</i> • <i>Awards records</i> |
| <p>4 Relevance of business plan</p> <ul style="list-style-type: none"> a. The business plan presents and explains detailed activities upon the successful demonstration. b. The schedule of activities and the workforce plan provide detailed and realistic business plan. c. The estimated profits from the commercialization is detailed and realistic, taking the anticipated investment into consideration. | 10% | <i>Technical proposal:</i> <ul style="list-style-type: none"> • <i>business plan</i> |

| | | | |
|---|---|-----|---|
| 5 | <p>Relevance of capacity building activity plan</p> <ul style="list-style-type: none"> a. The capacity building activity plan is well designed to train and educate people who are needed to conduct the demonstration. b. The capacity building activity plan is well designed to train and educate people who are needed for the commercialization stage after completing the demonstration. c. The capacity building activity plan describes innovative and practical ideas in fostering people who are not necessarily working directly for the implementation and the commercialization, but within wider supply chains of the demonstrated technology fields or the related industry sector in the host country(-ies), and the neighbouring country(-ies). | 15% | <p><i>Technical proposal:</i></p> <ul style="list-style-type: none"> • <i>capacity building activity plan</i> |
| 6 | <p>Contribution to gender mainstreaming</p> <ul style="list-style-type: none"> The demonstration plan and the capacity building activity plan should elaborate the following aspects of gender mainstreaming plans and activities: <ul style="list-style-type: none"> a. The demonstrated technology/business model is designed to advance gender equality and empowerment of women. b. The implementors reflect equal representation of women in technical and leadership positions. c. Corporate policies on fostering gender equality, an enabling workforce environment for all, and zero tolerance against harassment have been set. d. The capacity building activity plan sets forth a goal that at least 40% of trainees are women. | 5% | <p><i>Technical proposal:</i></p> <ul style="list-style-type: none"> • <i>Demonstration plan</i> • <i>capacity building activity plan</i> |
| 7 | <p>Sustainable outcome of the demonstration, the capacity building activities, and the business plan after the demonstration</p> <p>Proposals will be evaluated by taking the following aspects into account:</p> <ul style="list-style-type: none"> a. Detailed estimates of the sales and the profits expected to be generated by the demonstration b. Detailed growth and market strategies to expand the demonstrated technology/business model c. Detailed estimates of export expected to be generated by the demonstration from the host country to international markets d. Detailed and well-analysed investment effects from the demonstration e. Detailed and well-planned employment strategies f. Detailed explanation as to how the demonstrated technology/business model will spread from the demonstration site to other regions or Global South countries g. Detailed explanations as to how the demonstration will strengthen the relevant supply chain locally and globally h. Detailed explanations as to how the industry policy or technology development policy of the host-country will benefit from the demonstration i. Detailed explanation as to how the applicant will conceive new ideas for innovation other than the proposed demonstrations j. Detailed explanation as to how the proposal will strengthen the economic relations between the host country(-ies) and Japan | 15% | <p><i>Technical proposal:</i></p> <ul style="list-style-type: none"> • <i>Sustainability and scaling up from demonstration to business stage</i> |

| | | | |
|--------------|---|------------|---|
| 8 | Geographical diversity among selected proposals A consideration is given to the geographical diversity in the selection/evaluation process among submitted proposals. | 5% | <i>Technical proposal:</i> • <i>Demonstration plan</i> |
| 9 | Technological diversity among selected proposals A consideration is given to the technological diversity among submitted proposals over the eleven technology areas. | 5% | <i>Technical proposal:</i> • <i>Demonstration plan</i> |
| TOTAL | | 100 | |

6.3 Financial Evaluation criteria

Eligible applications that fulfilled the technical requirements will be appraised for its financial proposals based on the financial evaluation criteria listed below.

Each financial evaluation criterion will be scored from 1 to 5 (corresponding to very poor (1), poor (2), average (3), strong (4), very strong (5)) based on the assessment of extent to which a proposal demonstrates strength. The score of each criterion will be weighted by using the pre-determined weight (% indicated for each criterion). Addition of all category scores will be the financial proposal's total score (maximum 100 points).

Financial proposals scored more than 60 points will be considered as financially acceptable.

- (1) **The proposal presents reasonable and realistic total cost and its cost breakdown to implement the demonstration and capacity building activities in sufficient details. (70%)**
- (2) **The proposal presents the appropriate co-financing plans with sufficient evidence. (10%)**
- (3) **The proposal presents realistic and appropriate plans to finance the commercialization process after the demonstration. (20%)**

***** UNIDO reserves the right to request prospective applicants to make a presentation of their proposals to the UNIDO Evaluation Committee members for clarification purposes. When such decisions were made, UNIDO would contact the applicants with procedural details.**

6.4 Ranking Methodology

For the purpose of ranking among proposals that are considered as technically and commercially acceptable, the following formula will be applied based on the % weight between the technical score (80%) and the financial score (20%).

$$\text{(Total Score)} = \text{(Technical Score} \times 80\%) + \text{(Financial Score} \times 20\%)$$

The ranking of proposals will be determined based on the total scores from the highest scored proposal to the lowest scored proposal.

With the current Call for Proposals exercise, UNIDO aims to select four to six proposals for funding in total. The number of funding, however, may be dependent on the quality of submitted proposals as well as budget availability of the programme.

7. Contingency

In a case where a grant beneficiary faces or is going to face a situation that the demonstration and/or the capacity building activities are suspended due to events of force majeure, the grant beneficiary and UNIDO will discuss whether the grant beneficiary can continue the demonstration and/or the capacity building activities by amending the grant agreement or whether the grant agreement should be terminated, examining whether the events are beyond the implementors' responsibility.

Even in the case that the grant agreement is amendable, the demonstration and/or the capacity building activities have to be within maximum three years in total and be completed latest by the end of March 2028 as prescribed in 3.4 Implementation period and follow-up period. The amount of the grants and the conditions of the co-finance will be the same as prescribed in 3.5 Size of grants and co-financing requirements.

8. Return Policy

8.1 In case of assets sales

If a grant beneficiary decides to dispose the assets that were purchased through the UNIDO grants during the demonstration and/or the follow-up period, the grant beneficiary needs to get an approval on such sales/disposals from UNIDO in advance. Further, the grant beneficiary will be requested to return part or all of the financial gain from the sales/disposals up to the amount of the grants to UNIDO.

8.2 In case that expenditures are used against the project aim

During the implementation period and/or the follow-up period, if UNIDO considers that certain expenditures by a grant beneficiary were not used in a manner consistent with the objectives of this project (including UNIDO guidelines set forth with regard to environmental and social safeguards, gender mainstreaming, and human rights protection, etc.) and/or against the relevant grant agreement, UNIDO would stop providing future grants while requesting the grants beneficiary to return the full amount of the grants UNIDO provided until up to that time.

9. Intellectual Property Policy

Intellectual property rights related to inventions arising from the demonstrations belong to grant beneficiaries.

10. Collaboration to Promotional Events and Analytical Research

- (1) Grant beneficiaries shall make best efforts to contribute to promotional events, such as making presentations about the outcome of the demonstrations when requested by UNIDO during the demonstration, the follow-up period, and, possibly, after these implementation periods.
- (2) Grant beneficiaries shall appoint a focal point from a local company of the implementors or those that plays some roles in the demonstration in the host countries. The liaison persons from the grant beneficiaries (*cf.* 5, A.1 (8) Liaison with UNIDO) and the focal points shall collaborate with UNIDO, that will conduct analytical research on technology-transfer-support projects, utilizing this UNIDO project in the Global South countries, during the demonstration and the follow-up period.