CYNOSURE

FINAL REPORT

MID-TERM REVIEW OF UNIDO PROJECT 150052:

"MAINSTREAMING CLIMATE CHANGE ADAPTATION THROUGH WATER RESOURCE MANAGEMENT ON LEATHER INDUSTRIAL ZONE DEVELOPMENT"

SUBMITTED TO

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

21 DECEMBER 2020

PROJECT DATA SHEET

Project Title	Mainstreaming Climate Change Adaptation through Water Resource Management on Leather Industrial Zone Development
GEF ID:	5666
UNIDO SAP ID:	150052
GEF Replenishment Cycle:	GEF-5
Country:	Pakistan
Region:	Asia and Pacific
GEF Focal Area:	Climate Change Adaptation (CCA)
Executing Agencies:	UNIDO
Other Project Partners:	Sialkot Tannery Association Guarantee Ltd (STAGL) Ministry of Climate Change (MoCC)
Project Type:	Full Sized Project
Project Duration (months):	48 months + 36 months
Extension(s):	One
GEF Project Financing:	USD 3,310,000
Agency Fee:	USD 31,445
Co-financing Amount:	USD 12,140,000
Date of CEO Endorsement/Approval:	10th December 2015
UNIDO Approval Date:	01st October 2015
Actual Implementation Start Date:	04th March 2016
Cumulative Disbursement as of 30th June 2020:	USD 3,278,998.78
Expected Completion Date:	31st December 2023
UNIDO Project Manager	Mr. Ivan Kral

ACKNOWLEDGEMENTS

This Mid-Term Review report sets out findings, conclusions, lessons learnt and recommendations for the project titled 'Mainstreaming Climate Change Adaptation through Water Resource Management on Leather Industrial Zone Development'. The report is developed in compliance with the terms of reference for the assignment. The conclusions and recommendations set out in the following pages are solely those of the evaluators and are not binding on the project management and sponsors.

The authors would like to thank all who assisted in the MTR Evaluation, particularly the PMU and UNIDO Project Management for providing technical and logistic support, and all the stakeholders who consented to be interviewed.

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AMAT	Adaptation Monitoring and Assessment Tool
APR	Annual Progress Report
AWP	Annual Work Plan
BAT	Best Available Technology
BEP	Best Environmental Practices
CC	Climate Change
CCA	Climate Change Adaptation
CETP	Combined Effluent Treatment Plant
CP	Cleaner Production
CPC	Cleaner Production Center
CRP	Chromium Recovery Plant
CSA	Climate and Social Assessment
DDMA	District Disaster Management Authority
DDMF	District Disaster Management Framework
DDMP	District Disaster Management Plan
DG	Director General
EA	Executive Agreement
EC	European Commission
EDF	Export Development Fund
EIA	Environmental Impact Assessment
EMS	Environment Management System
EPD	Environment Protection Department
EU	European Union
FGD	Focus Group Discussion
GCWU	Government College Women's University
GIS	Geographic Information System

GEF	Global Environment Facility
H2S	Hydrogen Sulphide
IA	Implementing Agency
IDI	In-Depth Interview
ILES	International Labour and Environmental Standards
KII	Key Informant Interview
LWG	Leather Working Group
MIRA	Multi Sector Initial Rapid Assessment
MoCC	Ministry of Climate Change
MSME	Micro, Small, and Medium Enterprises
MTR	Mid-Term Review
NCCP	National Climate Change Policy
NDMA	National Disaster Management Authority
NEP	National Executing Partner
NGO	Non-Governmental Organization
NOC	No Objection Certificate
NORAD	Norwegian Agency for Development Cooperation
NPC	National Project Coordinator
O&M	Operations and Maintenance
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational Safety and Health
P&DD	Planning and Development Department
PD	Project Director
PDMA	Provincial Disaster Management Authority
PGDP	Punjab Green Development Program
PGM&EA	Pakistan Gloves Manufacturers and Exporters Association
PGS	Punjab Growth Strategy
PICIIP	Punjab Intermediate Cities Improvement Investment Programme

PMU	Project Management Unit
PPG	Project Preparation Grant
PPP	Public Private Partnership
PPRA	Public Procurement Regulatory Authority
PSC	Project Steering Committee
SCCI	Sialkot Chamber of Commerce and Industry
SDG	Sustainable Development Goals
SKT	Sialkot International Airport
SMSE	Small and Medium Sized Enterprise
STAGL	Sialkot Tannery Association Guarantee Ltd
STZ	Sialkot Tannery Zone
SWM	Solid Waste Management
TDAP	Trade Development Authority of Pakistan
TEG	Technical Evaluation Group
ToR	Terms of Reference
UN	United Nations
UNIDO	United Nations Industrial Development Organization
WACS	Waste Amount and Characterization Study
WWF	World Wide Fund for Nature

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

LIST OF ANNEXES

1. EXECUTIVE SUMMARY

The GEF-funded project titled **Mainstreaming Climate Change Adaptation through Water Resource Management on Leather Industrial Zone Development** (hereafter 'the project') is a full-sized project being implemented in Sialkot, Pakistan by UNIDO. The project started in March 2017 in partnership with the Sialkot Tannery Association Guarantee Ltd (STAGL) as the lead National Executing Partner (NEP) and the Ministry of Climate Change (MoCC) functioning as an Executing Partner. The GEF-funded project aims to support the baseline project, initiated under STAGL with the support of the Government of Punjab, involving the establishment, maintanence and operationalization of the Sialkot Tannery Zone (STZ). The STZ is a multimillion dollar project which aims to relocate Sialkot's 250 tanneries, scattered in clusters across the city, to a dedicated tannery zone 13 km outside the city near the village of Khumbranwala. The GEF-funded project will be supporting the baseline project by integrating climate change adaptation (CCA) measures and strategies into the environmentally sound construction of the STZ and urban development planning, supporting the construction and operationalization of a combined effluent treatment plant (CETP) for the tanneries which will relocate to the STZ, and through awareness-raising, sensitizing, and capacity-building activities to build climate change resilience among various project stakeholders.

The overall objective of this Mid-Term Review (MTR) is to independently assess the project and provide the project management team with feedback on the project's performance so far, along with identifying early risks to progress towards results and project outcomes. The evaluation covered the criteria of: **Relevance, Effectiveness, Efficiency, Sustainability and Impact.** In addition, the **Project Design, Project Management, Planning, Monitoring and Reporting, Finance/Co-Finance, Stakeholder Engagement, Environmental and Social Safeguards, Performance of Partners and Gender Mainstreaming** were also reviewed. Accordingly, a set of conclusions and recommendations has been provided to inform future programming.

A detailed review of the project document revealed that the **Project Design** was ***Moderately Satisfactory***. In general, the activities outlined in the project design were realistic and the project document also provided a practical guideline for implementation. However, the budget for CETP electromechanical component was significantly underestimated and the project lacked a gender analysis and gender disaggregated indicators. Moreover, nearly 80 percent of the activity targets were not quantified and the logical framework did not provide the full results hierarchy with some outputs overlapping, thereby introducing redundancy in project monitoring and reporting.

The MTR team assessed the project's **Relevance** and found it to be ***Highly Satisfactory*** to the development context of the tannery industry in Sialkot, as well as the priorities of the federal and provincial governments, the UN and GEF. The project is also relevant and important to the residents of Sialkot city as the relocation of the tanneries to the STZ, which the project supports, yield positive environmental and health-related outcomes for the city, while tannery businesses

will be able to enhance their revenues as a result of improved environmental compliance in line with market requirements.

The project's **Efficiency** was assessed to measure how economically its resources/inputs have been converted to results. With the exception of CETP procurement, the project's financial management was seen to be efficient in terms of timeliness and selection of activities. The procurement of the CETP has run into challenges after the unsuccessful international tendering process of the electro-mechanical components of the CETP conducted by UNIDO, as the bid price of USD 4.97 million was 126 percent higher than the available budget of USD 2.2 million allocated by GEF. As a result, the electro-mechanical components of the CETP had to be retendered with STAGL taking over the procurement process of both the electro-mechanical as well as the civil works components of the CETP with the support and technical assistance of UNIDO. Consequently, in January 2020, GEF extended the project till December 2023, a delay of 03 years. Accordingly, the MTR found the project's efficiency to be ***Moderately Unsatisfactory.*** While high levels of co-financing have been realized and the GEF project expenditure also stands at 99.1%, the MTR team found the **Financial Management** to be ***Moderately Unsatisfactory*** due to the sub-optimal financial planning for CETP procurement.

Overall, the MTR team found the project staffing to be sufficient and the PMU to be responsive to the project needs. In particular, the placement of the PMU within STAGL has ensured project delivery in a consultative manner with the tannery industry of Sialkot. The PSC has also been effective in delivering its mandate by mobilizing funds through co-financing and in taking charge of the tendering process of the electro-mechanical components of the CETP. In conclusion, the MTR found the **Project Management** to be ***Satisfactory***.

While all stakeholders are diligently monitoring the project, and standard reporting procedures are being followed, the project **Workplan, Monitoring and Reporting** were found to be ***Moderately Satisfactory*** due to the absence of a monitoring plan or associated frameworks as well as the lack of correction/improvement to the project document and logical framework as the foundational documents for monitoring.

The project's efforts for **Stakeholder Engagement and Communication** has been ***Satisfactory***. At the management level, STAGL and UNIDO enjoy a strong partnership, with UNIDO providing guidance to STAGL on technical aspects of the project, such as technology design and procurement, and project management for compliance with UNIDO and GEF project implementation guidelines. STAGL has also maintained an effective and cordial working relationship with various federal, provincial, and district level government agencies critical to the project's success which include the MoCC, TDAP, DDMA/PDMA, EPD, Irrigation Department, and Rescue 1122, and the Government College Women's University (GCWU) Sialkot. Furthermore, STAGL has developed synergies between the current GEF project and a parallel EC funded project that is being implemented by WWF. The Performance of Project Partners was also ***Moderately Satisfactory*** as a result of active collaboration efforts by STAGL. However, UNIDO's lack of

foresight as the key technical support partner has led to a delay of at least three years in the operationalization of the STZ.

The project's **Effectiveness and Progress towards Results** was assessed and found to be ***Moderately Unsatisfactory.*** For **Outcome 1**, the project has informed and engaged various district management authorities involved in urban planning, disaster resilience including DDMA and irrigation department. Additionally, the project is also developing a Flood Risk Management Plan for the STZ and planted 10,000 in and around the STZ against a target of 50,000. Under **Outcome 2**, the project has undertaken several certificate and non-certificate trainings and capacity building activities pertaining to CCA measures and CP technologies. However, the lack of documented training and capacity building strategy along with quantifiable indicators in the project's logical framework combined with a lack of systematic follow up with participants hinders the effectiveness of the project's activities. Local communities around the STZ have not been engaged yet as those activities have been delayed until the shift to the STZ. **Outcome 3** pertaining to the procurement of the electro-mechanical and civil works components of the CETP, faced a major procurement setback, thereby delaying the project by three years and increasing the cost of its civil works component by 18.75 percent. Training and capacity building activities regarding water conservation practices/technologies and solid waste recycling and reutilization have also been impacted due to the delay to the shift to the STZ.

While the project has made gains towards incorporating resilience in the urban planning and also raised awareness and capacity with regards to cleaner production practices, operationalization of the CETP, a major project component, is still to be realized and has already faced financial challenges. Accordingly the likelihood of **Sustainability** for the project's outcomes was found to be ***Moderately Unsatisfactory.***

Gender Mainstreaming was incorporated into the project design; however, a lack of a Gender Assessment at the time of design or a Project Gender Mainstreaming Strategy during implementation resulted in the project lacking specific direction with regards to promoting women's participation. Nevertheless, with the internship program for nearly 50 students of the Government College Women's University Environmental Science department students, the project has identified a niche for gender mainstreaming and is not only contributing to the development of a local cadre of professional women with knowledge of CCA and resilience in the tannery sector but is also likely to contribute to the acceptance of women professionals by the industry in the medium to long term. Based on this assessment, the MTR team found the performance of the project on Gender Mainstreaming to be ***Satisfactory***.

The project has incorporated five measures recommended by the Climate and Social Assessment study into the urban development planning, including the rehabilitation of Dugri Drain, remodeling of STZ drains, and review of the flood warning system. Additional flood protection measures are also incorporated in the STZ infrastructure including widening and de-silting of Dugri Drain and elevated road levels within the STZ boundary. Some training and capacity building activities have also been conducted on cleaner production technologies. Accordingly the

Environmental and Social Safeguards incorporated by the project are found to be ***Moderately Satisfactory***. The following table provides an overview of the project's performance ratings.

	EVALUATION CRITERIA	RATING
A.	**PROJECT DESIGN ASSESSMENT**	
1	Project Design	Moderately Satisfactory
2	Project Results Framework/Logframe	Moderately Satisfactory
B.	**PROJECT PERFORMANCE AND PROGRESS TOWARDS RESULTS**	
1.	Relevance	Highly Satisfactory
2.	Effectiveness and Progress towards Results	Moderately Unsatisfactory
3.	Efficiency	Moderately Unsatisfactory
C.	**PROJECT IMPLEMENTATION MANAGEMENT**	
1.	Project Management	Satisfactory
2.	Results-based Work Planning, Monitoring and Evaluation Systems, Reporting	Moderately Satisfactory
3.	Financial Management and Co-finance	Moderately Unsatisfactory
4.	Stakeholder Engagement and Communication	Satisfactory
D.	**SCALE-UP, SUSTAINABILITY AND RESILIENCE**	Moderately Unsatisfactory
E.	**GENDER MAINSTREAMING**	Satisfactory
F.	**ENVIRONMENTAL AND SOCIAL SAFEGUARDS**	Moderately Satisfactory
G.	**PERFORMANCE OF PARTNERS**	Moderately Satisfactory
H.	**REMAINING BARRIERS TO ACHIEVING THE PROJECT EXPECTED RESULTS**	
	OVERALL PROJECT RATING	Moderately Unsatisfactory

The MTR team has provided a set recommendations to course correct and mitigate risks to the outcomes and results of the project.

Recommendations for STAGL PMU:

1. **Common Effluent Treatment Plant (CETP):** To ensure sustainable operations of the CETP, the MTR team recommends that:
    a. Key stakeholders, especially STAGL, make a concerted effort to ensure the **timely establishment and operation of the CETP** as on the one hand, there is a risk some larger tanneries may lose interest in the STZ and expand operations at their current facility. On the other hand, some tanners may start operations in the STZ without proper CCA practices causing damage to the environment.
    b. STAGL remain vigilant of the construction of the civil and electro-mechanical components of the CETP between separate contractors to ensure harmonization and compatibility, and utilize the services of a **third party expert** to oversee the operation.
    c. A comprehensive plan for spare parts availability and **operations and maintenance** of the electro-mechanical equipment being imported be put in place.
    d. The proposed tertiary treatment of waste water using **wetlands** should be avoided at all cost as it risks attracting birds which could disrupt the Sialkot International Airport's flight operations.

2. **Waste to Energy Plant**: STAGL has started reviewing different technologies for setting up a waste to energy plant in the future, and the close circuit pyrolysis option has been shortlisted. However, the company proposing this option has a dismal record of delivering on its promises to other similar projects of the Government of Punjab. It is therefore recommended that STAGL practices vigilance if it decides to proceed with this option.
3. **Engagement with Women in the Community**: Since the project is working as a trendsetter, it is important that under its Gender Mainstreaming activities, the project starts promoting women's broader engagement in the industry immediately to establish a ready foundation for Gender Mainstreaming upon operationalization of the STZ. It is recommended that, at the very least, the project undertakes a detailed Gender Assessment and design a Gender Strategy for the STZ.

Recommendations for UNIDO:

1. **Supervision of CETP Establishment**: An international expert environmental engineer on behalf of UNIDO/GEF assess the macro-level impacts on the environment of the proposed CETP process and its siting.
2. **Solid Waste Management**: It is recommended that a detailed Waste Amount and Characterization Study (WACS) be conducted before finalizing available treatment options.
3. **Stakeholder Engagement**: The current project and the UNIDO-implemented project in Karachi (UNIDO ID: 160069) have had informal and unofficial coordination. It is recommended that the two projects develop a regular coordination mechanism to exchange observations and lessons learned.
4. **Capacity Building:** To further enhance the effectiveness and sustainability of the capacity building and awareness-raising component of the project, the following measures are recommended: a) Development of a capacity building strategy or framework under which the remaining such activities are undertaken; b) Development of a sustainable exit strategy for capacity building component as there is a high risk of discontinuation of activities upon project closure; and c) Incentivizing participation of tanneries across the industry by linking them to tangible benefits.
5. **Gender**: It is also recommended that some gender balance is sought within the PMU senior/program staffing as there is a complete absence of women staff.
6. **Monitoring and Reporting:** It is recommended the project logical framework is reviewed to rectify the gaps identified including resolution of duplications in outputs and inclusion of gender indicators. Additionally, in accordance with the revised logical framework, a monitoring framework be developed comprising of a monitoring matrix, risk assessment and impact assessment methods, outlining who, what, when, where and how data is collected and analyzed.

2. COUNTRY AND PROJECT BACKGROUND AND CONTEXT

2.1 NATIONAL CONTEXT

Pakistan remains severely impacted by the negative effects of climate change giving rise to increased vulnerabilities across several areas including: temperature, precipitation, water, agriculture, urbanization, livelihood and extreme weather events. Sialkot is among the most vulnerable cities in Pakistan with regard to impact of climate change, especially on water resources. Disruption in weather patterns pose the increased risk of floods in Punjab which in addition to heightening the risk of food insecurity, diarrhoea and gastroenteritis also increase the risk of industrial waste contaminating farm land and hampering successful harvests. The government is underprepared to handle the situation, and the lack of urban planning combined with the rapid industrialization and urbanization of Sialkot has caused a major threat to its environment.

Sialkot is home to a number of export-oriented industries producing sports equipment, surgical instruments and leather and leather goods. Around 250 tanneries are scattered across the city in 10 clusters, employing between 10,000 – 50,000 people associated with tannery process in one or other way[1]. About 80 percent of these tanneries can be categorized as small and medium sized enterprises (SMSEs). Virtually all of the tanneries, especially the MSMEs, do not have access to an appropriate waste water treatment facility and discharge their polluted effluents improperly. These effluents are either collected in ponds around the factories or discharged into unlined drains or even into irrigation channels, polluting the city's groundwater resources and crops in the adjacent hinterland. Solids and sludge also accumulate in these drains causing blockages and localized flooding of adjacent agricultural land.

One major step in addressing the problem of scattered tanneries that do not have appropriate environmental facilities in place, is the construction of a concentrated tannery zone, i.e. the Sialkot Tannery Zone (STZ), and with it the establishment of a common effluent treatment plant (CETP) and common waste management system. This intervention is intended to contribute towards the greening of the leather production system in Pakistan to ultimately satisfy the prerequisites for the survival and growth of this export-oriented sector and for conserving the region's agricultural land.

[1] Project Document

2.2 PROJECT BACKGROUND

In 1999, a cleaner production program was introduced by the Government of Pakistan with funding and cooperation of the Norwegian Agency for Development Cooperation (NORAD), Trade Development Authority of Pakistan (TDAP) and the Pakistan Gloves Manufacturer and Exporters Association (PGM&EA). Among the objectives of the project were the establishment of a Cleaner Production Center (CPC) in Sialkot to reduce the environmental risks associated with the tanning process and to assess the extent to which different activities surrounding cleaner production practices could be introduced to the tanners in Sialkot for their continued adoption. The conceptual origins of the current project rose out of the conclusion of the NORAD-funded project in 2004/5 when it was recommended that as next steps all the tanneries in clusters scattered across Sialkot city be relocated to centralized tannery zone.

To achieve that end, the Sialkot Chamber of Commerce and Industry (SCCI) envisaged the establishment of a Sialkot Tannery Zone (STZ) and the Sialkot Tannery Association Guarantee Limited (STAGL) Company was formed in 2004 with the cooperation of SCCI and the Government of Punjab through the Planning and Development Department and the Environment Protection Department and with the aim of laying out, establishing, and maintaining the envisioned STZ. STAGL is a representative body of the tannery and leather industry in Sialkot, with 560 members, including around 250 tannery companies.

The STZ establishment is a mega development project executed as a Public Private Partnership (PPP) and amounts to around 47 million USD. Costs are comprised of land, building of infrastructure, utilities, treatment facilities, and relocation of tanneries. By 2009, STAGL identified the land on which to establish the STZ. In 2011, 396 acres of land was acquired at an approximate total cost of PKR 406 million, with the Government of Punjab covering 75 percent of the cost through the issuance of an interest-free loan and the private sector covering the remaining 25 percent. The geographic location of the STZ site is near the village of Khumbranwala, approximately 13 km away from Sialkot city and about 5 km away from the Sialkot International Airport.

In 2015, a climate and social assessment study (CSA) revealed a multitude of gaps in the planning and construction of the STZ baseline project relating to the effects of climate change. Without addressing these gaps and incorporating solutions to mitigate the effects of climate change, significant negative implications for both the industry and the local population in the city and around the project location were predicted. Additionally, the capacity of local institutions along with that of the local communities in mitigating the effects of climate change and adopting sound climate change adaptation (CCA) measures and practices was also found to be lacking. As a result,

the Government of Pakistan had requested UNIDO's assistance to integrate CCA strategies into the environmentally sound construction of a concentrated STZ.

Consequently, UNIDO with funding from GEF initiated the "*Mainstreaming Climate Change Adaptation through Water Resource Management on Leather Industrial Zone Development*" project is a GEF funded project implemented by UNIDO aimed at supporting the baseline project by strengthening climate adaptive capacities by incorporating adaptation measures in every step of the STZ establishment and management.

The goal is to further demonstrate and implement a blueprint for a climate resilient Tannery Zone that can be replicated in other parts of the country in order to achieve holistic and sustainable results. The required interventions are aimed at addressing:

- **Policy barriers**, to ensure mainstreaming of CCA strategies at local level planning in order to include new developments, and also to better plan for disaster risk preparedness;
- **Capacity barriers**, to create awareness among local authorities and communities to increase preparedness for the challenges that come along with CC;
- **Technological barriers**, by providing the best and most affordable and adaptive technological solutions in order to empower local communities to address the key risks of CC and to adapt in-house technological resources;
- Contribute to **poverty reduction and sustainable development** in Pakistan;
- Support the **economic integration of Pakistan into the global and regional economy** and stimulate decent work and employment creation by **increasing exports and enhancing the enabling climate for international trade**.

2.2.1 PROJECT STAKEHOLDERS

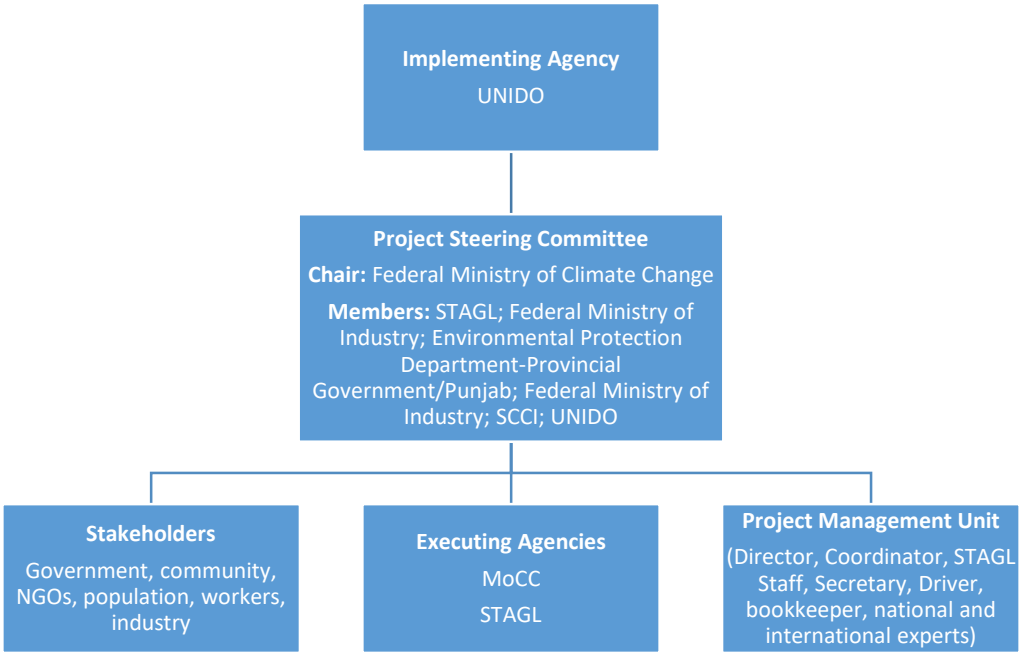
Funded by the GEF, UNIDO is the implementing agency for this project. While the Ministry of Climate Change (MoCC) and STAGL are the project's National Executing Partners. Whereas, STAGL and the Ministry of Commerce (MoC) through the Trade Development Authority of Pakistan's (TDAP) Export Development Fund (EDF) are the main co-financiers. The Project Steering Committee (PSC) is chaired by the MoCC. Other project stakeholders include the Provincial and District Disaster Management Agency (PDMA/DDMA), Irrigation Department, and the Government College Women University – Sialkot (GCWU). Moreover, WWF is a synergetic partner of the project as it is implementing the International Labour and Environmental

Standards Application in Pakistan's SMEs, an EC funded project[2] since 2017 in coordination with STAGL. Annex 01 outlines the stakeholders involved in the project and their roles and responsibilities.

The 250 tanneries in and around Sialkot are the main direct beneficiaries of the project's activities.

Figure 01 below structurally illustrates the project implementation arrangements.

FIGURE 01: PROJECT IMPLEMENTATION ARRANGEMENT



(Source: Assignment TOR)

[2] Focusing on the Leather and Textile industries in Pakistan, including districts Sialkot, Karachi, Faisalabad, and Lahore.

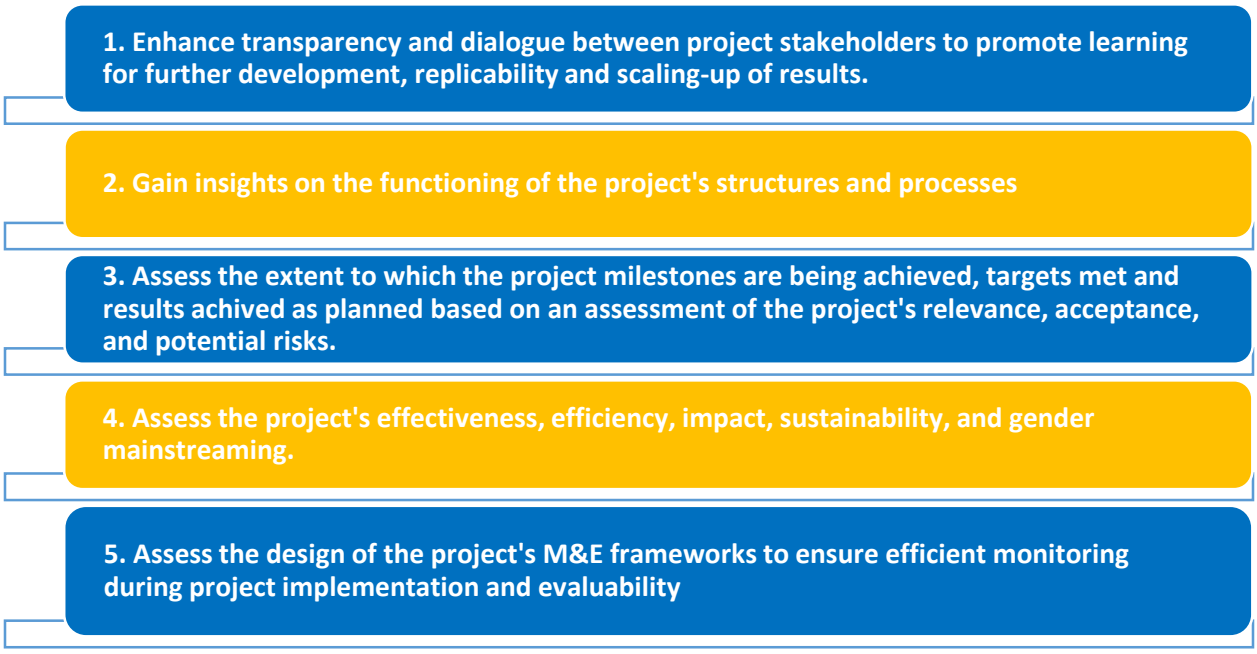
3. MID-TERM REVIEW OBJECTIVE, METHODOLOGY, AND PROCESS

The ***Mainstreaming Climate Change Adaptation through Water Resource Management on Leather Industrial Zone Development*** project is a full-sized project. In accordance with UNIDO M&E policies and procedures, all full and medium-sized UNIDO supported and GEF financed projects are required to undergo a mid-term review.

3.1 PURPOSE AND OBJECTIVES OF THE MID-TERM REVIEW

The purpose of this MTR is to provide the project management team with feedback on the project's performance to date and to identify early risks to project sustainability, effectiveness, efficiency and progress towards results, including gender mainstreaming. The overall objectives of the MTR are outlined in the figure below.

FIGURE 02: OBJECTIVES OF THE MTR



The mid-term review intends to provide evidence-based information that is credible, reliable and useful for the stated MTR purpose.

3.2 SCOPE OF THE MTR

The programmatic scope of the mid-term review primarily encompasses the objectives, outcomes, and outputs as detailed in the project documents and logical frameworks. Furthermore, as outlined in the TORs, the scope of work for the MTR will cover the following aspects sketched in the table below:

TABLE 01 PROGRAMMATIC SCOPE OF THE MTR

SCOPE OF WORK
Examine Specific Questions Applicable to the Project: • Is the project on track vis-à-vis the foreseen outcomes? • What challenges are causing delays? • How can the challenges be overcome? • Is the project still relevant? • Is it feasible to complete the project with the remaining resources and the existing context? • Is the project at risk? (in terms of timely completion, delivery of its outputs and achievement of its outcomes, and other risks) • Are there chances for upscaling and/or replication of the project approach or results?
Assess the project based on the standardized mid-term review Criteria, Questions, and Rating System: In order to establish objectively comparable performance across a variety of projects, the review team carried out an assessment the project on the following eight categories, and rated them on a six-point scale from highly satisfactory (6) to highly unsatisfactory (1)[3]: A. Project Design Assessment a. Project design b. Project results framework/logframe B. Project performance and progress towards results: a. Relevance b. Effectiveness and progress towards results c. Efficiency C. Project Implementation Management: a. Project management

[3] The rating system is established by GEF and based on the "Guidelines for GEF Agencies in Conducting Terminal Evaluations – Evaluation Document No. 3", 2008, GEF.

b. Results-based work planning, monitoring and evaluation systems, reporting c. Financial management and co-finance d. Stakeholder engagement and communication D. Scale-up, sustainability and resilience E. Gender mainstreaming F. Environmental and Social Safeguards G. Performance of Partners H. Remaining barriers to achieving the project expected results
Conduct a Risk Assessment as part of the mid-term review in order to identify risks to achieving project goals and provide an "early warning system" to mobilize remedial actions to address risks likely to affect project outcomes.

The *'Mainstreaming Climate Change Adaptation through Water Resource Management on Leather Industrial Zone Development'* Project provided support to the operationalization of the Sialkot Tannery Zone (STZ) established in 2011. Hence, District **Sialkot comprised the main geographic scope** of the assignment.

3.3 EVALUATION APPROACH AND METHODOLOGY

This section presents the approach and multi-stage methodology that Cynosure used to undertake the Mid-term review.

The Mid Term Review (MTR) was undertaken from September to November 2020. Under the supervision of the UNIDO Project Manager in Vienna, the MTR was undertaken by Cynosure International, with participation from an Evaluation Expert/Team Leader, a Solid Waste Management Expert, a Gender Expert, and a Coordinator[4].

The MTR Team adopted a **consultative and participatory approach** and employed mixed methodologies, combining qualitative and quantitative data to capture information relating to the MTR objectives. In addition, the MTR Team worked in close coordination with the assigned **UNIDO Project Manager(s) as well as the Assistant MTR Consultant** hired directly by UNIDO as well as key project staff. The section below details the approach and methodology used to

[4] Team Composition (Umm e Zia, Azhar Ali, Munazza Zia, and Faaiz Irfan)

undertake the Mid-Term Review which include undertaking a literature review, development of evaluation tools, meetings with project stakeholders, and visits to project field sites.

3.3.1 LITERATURE REVIEW

A detailed review of the related documents by the consultants facilitated their understanding of the various dynamics of this project. A complete list of the key documents reviewed is provided in Annex 02

Based on this review the programmatic and geographic scope of the evaluation activities as well as samples for interviews and field visits were determined. The project logical framework, including the entire UNIDO/GEF-funded project and its components constituted the programmatic scope.

3.3.2 DEVELOPMENT OF EVALUATION TOOLS

The key tools used to undertake this evaluation included List of Stakeholders to be Met, Key Informant Interview Guidelines, and an assignment Work Plan. These tools were shared with UNIDO in an Inception report and finalized upon approval of the UNIDO Project Manager.

Key Informant Interview (KII)/In-Depth Interview (IDI) and Focus Group Discussion (FGD) guide sheets were developed by the MTR Team to be utilized during the course of interviews with various stakeholders, partners, and beneficiaries, etc. The data collection tools pertaining to the various project participants are attached in Annex 03.

3.3.3 FIELD VISITS AND DATA COLLECTION

The MTR Team visited Sialkot from 28 September to 30 September 2020. Stakeholder interviews to be undertaken during the mission were scheduled by the MTR Team in collaboration with the National Project Coordinator in advance and were conducted in district Sialkot by the Evaluation Expert and the Solid Waste Management expert. . Due to stakeholder availability and COVID-19, some interviews were scheduled for a later date and conducted via Zoom. The mission schedule along with the list of stakeholders interviewed both in-person and online and sites visited is presented in Annex 04.

After the field mission, follow up Skype interviews were also conducted with the UNIDO Project Manager based in Vienna.

3.3.4 POST-REVIEW DEBRIEFING

After the completion of data collection activities, the MTR Team conducted a debriefing with the Project Manager and Assistant Evaluator based in UNIDO HQ, and the National Project Coordinator using Zoom. The purpose of the debriefing was to present the MTR's initial findings, draft conclusions, recommendations, and discuss any issues or limitations uncovered during the course of the data collection process. These initial debriefings provided the MTR Team an opportunity to receive feedback from UNIDO HQ and national team and discuss implications and way forward. The feedback received during this preliminary findings dissemination fed into the development of the report.

4. PROJECT ASSESSMENT

This section provides detailed findings of the project's assessment. Starting off from a review of the project design, the findings are categorized according to OECD's criteria of Relevance, Effectiveness, Efficiency, Impact, and Sustainability. Furthermore, an analysis of the project's implementation approach towards Gender Mainstreaming and Environment and Social Safeguards is provided, while an assessment of the performance of Key Stakeholders is also presented. Finally, an analysis of risks to the project's remaining activities is provided and recommendations are provided to ensure smooth implementation of the project for its remaining duration.

4.1 DESIGN ASSESSMENT

This section provides an assessment of the project design and logical framework as key project planning documents.

4.1.1 PROJECT DESIGN

An assessment of the project design revealed that the project aimed to play a minor yet critical role in ensuring the CCA and sustainability of the mega project of STZ[5], thereby leveraging contribution despite the limited funds available to the project. The project was designed on the basis of relevant research undertaken through the Project Preparation Grant (PPG), including a Climate and Social Assessment (CSA) and the development of a CETP conceptual design for the STZ.

In general, the project document was found to provide a good guideline/framework for implementation without being over prescriptive. For instance, while the roles and responsibilities of stakeholders are delineated and an M&E plan and Risk Matrix are provided, the project document stipulates for an Inception Phase to iron out the details of the implementation processes. Moreover, in accordance with the public private partnership (PPP) model upon which the STZ is based, key stakeholders/partners for project implementation have been appropriately identified in the project design. In particular, the selection of STAGL, a representative body of the

[5] At the time of project design, the total outlay of the STZ was USD 47 Million (Source: Project Document)

local tannery industry, as the National Execution Partner (NEP) has ensured project ownership by the leather and tannery industry of Sialkot as the primary beneficiary of key project activities. In addition, the allocated project duration of four years was realistic to complete all planned activities.

Gender dimensions were also considered in the design of the project and its interventions. In particular, gender was integrated into at the levels of project component, output and activities. At the component level, the need for adapting and mainstreaming gender equality into the urban and rural planning was identified. The project identified that the Sialkot Strategic Development Plan (2010 – 2015) omitted considerations for both climate change adaptation and gender equality in its short term vision. However, the project aimed to work on the preparation of a set of recommendations to incorporate CCA and gender equality into the medium and long-term urban planning/industrial planning documents (2015 – 2030).

However, some major gaps identified in the project design were with reference to financial planning and exit strategy. In particular, the MTR team determined that in contrast to international best practices which stipulate the construction of civil and electro-mechanical components of CETP to be sub-contracted to the same entity as a single project, the project has divided the responsibility of these two functions between separate contractors. This can potentially pose challenges with regard to compatibility of the two components. Furthermore, the budget of USD 2.2 Million allotted for procurement of the CETP's electro-mechanical component was well below the average market price of approximately USD 3 Million and above, a sum roughly equivalent to the total GEF grant for the full project.

Moreover, while some measures have been identified for continuation of activities under Outcome 1 - Climate resilient urban development planning and Outcome 3 – Demonstration of climate smart technology in the STZ, no exit strategy has been outlined to ensure the continuity of activities under Outcome 2- Awareness and capacity building of various stakeholders, beyond project period. In addition, while the logical framework points to Baseline Study and Impact Assessment studies as the sources of verification for various indicators, the M&E plan outlined in the project document does not include either study.

Finally, while the project design aimed to mainstream gender into urban development, an analysis of gender, e.g. women's contribution to the tannery sector in Sialkot or the impact of the tannery sector on women in Sialkot, is altogether missing from the project document.

4.1.2 RESULTS FRAMEWORK/LOGFRAME

A part of the project document, the results framework is meant to act as a ready source of reference to assess a project's progress against the planned objectives and activities. Annex A of the project document provides a results framework. However, instead of providing the complete results hierarchy, the framework only provides project objective and outcomes, and indicators, whereas no corresponding outputs, activities, or targets are mentioned. Instead, these are detailed only in narrative form elsewhere in the project document.

While Outcome 2 was designed to build capacities for delivery of Outcomes 1 and 3, the MTR team also found considerable overlap between project outputs between and across outcome. In particular, while they make seem different at a cursory glance, a closer observation revealed that output 3.3 essentially encompasses outputs 2.2 and 2.3[6]. Similarly, an overlap was seen between Outputs 3.1 and 3.6[7].

Moreover, no targets have been set against the majority of project activities. In fact, of the 46 activities outlined against the four project outcomes, only 10 have been assigned a target. Finally, the indicators provided in the logical framework are not gender segregated.

It is important to note that despite some of the key limitations of the project design and results framework, no revisions/corrections have been made during project implementation.

Design Rating- In general, the activities outlined in the project design are realistic and the project document also provides a practical guideline for implementation. However, the budget for CETP electromechanical component was significantly underestimated. Moreover, while the concept of gender mainstreaming has been included in the design, the document lacks a gender analysis as well as gender disaggregated indicators. In addition, nearly 80% of the activity targets are not quantified. Finally, the logical framework presented in the design does not provide the full results

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[6] ***Output 3.3*** *Practical training for improved production efficiency, lower environmental footprint and pollution reduction technologies demonstrated*
Output 2.3 *Sensitization and joint dissemination activities and workshops for all target groups to have a better understanding of target group needs towards building resilience to CC prepared*
Output 2.2 *Community based trainings on CCA, to overcome CC, through water and energy conservation and flood management undertaken*

[7] ***Output 3.1*** *Various alternatives, especially water harvesting, and appropriate effluent treatment technology for pilot STZ verified and adopted*
Output 3.6 *Water conservation practices/technologies for tanneries to increase resilience of the most vulnerable groups are introduced and adopted*

hierarchy and some outputs are overlapping, thereby introducing redundancy in project reporting. Accordingly, the design is rated ***Moderately Satisfactory.***

4.2 RELEVANCE

This section outlines the project's relevance to its target groups' needs, development priorities of the country, UNIDO comparative advantage, and GEF's policies and priorities.

The MTR team found that the project is aligned with the objectives of multiple national priorities identified in the National Climate Change Policy, 2012 which is aimed at achieving the development goals set out in the Planning Commission's Vision 2030. The current project addresses the issues identified in the NCCP and Vision 2030 document by developing a flood management plan, increasing awareness of climate change adaptation and resilience among the targeted communities with an emphasis on engaging women for the implementation of resilience building measures for vulnerable groups, and the introduction of technologies that increase the efficiency of inputs, reduce water consumption, and reduce pollution of water bodies.

The project aims and objectives are also in line with provincial economic and social development goals outlined in the Punjab Growth Strategy (PGS) 2023 of the Planning and Development Board. The PGS 2023 specifically presents a role for the Government of Punjab to work with the private sector for the improvement of quality and standards compliance in order to increase the competitiveness of Pakistani leather exports. Moreover, the project also supports the Punjab Growth Strategy 2023 through its capacity building and awareness-raising activities for the promotion and uptake of climate change adaptation measures especially pertaining to water resource management.

Additionally, the current project also works towards achieving the Sustainable Development Goals (SDGs) namely Goals 06, 12, and 13 pertaining to clean water and sanitation, responsible consumption and production, and climate action respectively.

The project also pertains to the focal areas of the donor agency, GEF as it contributes to CCA-1[8] in terms of reducing vulnerability to climate change in the developmental sector by mainstreaming CCA strategies for industrial and urban planning. Upon successful completion, the

[8] CCA-1: Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation

project will also contribute to objective CCA-2[9] on "Increasing adaptive capacity" by providing opportunities for the leather industry in the Sialkot District to strengthen adaptive capacities to reduce the risk of climate change induced flooding. Lastly, it contributes to CCA-3[10] by supporting the demonstrations and deployment of CETP and transfer of adaptation technologies and skills to build water stress resilience and safeguards for water resources.

The current project is also well within the purview of UNIDO as it has proven experience in introducing cleaner leather technologies, occupational safety and health (OSH), deploying CETPs, solid waste handling, managing leather/products estates, and organizing tannery relocation projects. UNIDO is also well-positioned to leverage its extensive technical resources to assist in increasing the resilience of industrial activities dependent on climate-sensitive resources and vulnerable to the effects of climate change.

Finally, the project is also in line with the needs and priorities of the stakeholders it has involved and the beneficiaries it has targeted through its activities, as detailed below:

Tanneries and Local Leather Businesses: 99 percent of the leather industry in Pakistan is export oriented and the lack of compliance with environmental regulations and standards is the biggest constraint for the growth of the leather sector in Pakistan. The project strengthens the prospect of Sialkot's leather industry increasing its shares of exports by meeting the necessary environmental compliance that foreign buyers seek. Additionally, tanneries in Sialkot, especially the larger ones, will be able to meet the minimum eligibility criteria for membership into the Leather Working Group (LWG), thereby ensuring access to higher paying markets. Moreover, by moving to the STZ and away from the city and utilizing the services of the CETP, these tanneries and leather businesses will also avoid the fines and penalties imposed to them by the regulatory authorities such as the Environment Protection Department, Punjab for their lack of environmental compliance.

Local Communities: The presence of the tanneries in scattered clusters across the city of Sialkot poses significant environmental challenges including the improper disposal of waste generated in the industries which collects in ponds around the factories or is discharged into unlined drains, in turn contaminating the city's drinking water supply and polluting the nearby agricultural land. Therefore, the relocation and centralization of the tanneries from the city to a specialized zone

[9] CCA-2: Mainstream climate change adaptation and resilience for systemic impact
[10] CCA-3: Foster enabling conditions for effective and integrated climate change adaptation

with a functional CETP will be a significant step forward for the reduction of the pollution in the increasingly urbanized city of Sialkot.

The STZ is located 13 km from Sialkot city near the village of Khumbranwala. The local community members consider the project relevant to their needs as it provides opportunities for increased development in the area through the construction of roads and infrastructure and future employment opportunities for their local community members, including women, in the STZ.

In conclusion, the MTR team found the project to be ***Highly Satisfactory*** to the development context of the tannery industry in Sialkot, as well as the priorities of the federal and provincial governments, UN, and GEF.

4.3 EFFICIENCY

The project's efficiency was assessed to measure how economically resources/inputs (funds, expertise, time, etc.) have been converted to results.

With the exception of CETP procurement, the project's financial management was seen to be efficient in terms of timeliness and selection of activities, etc. For instance, instead of relying entirely on international experts, a range of activities, such as planning, local recruitment, training, and coordination are delivered by the PMU staff as part of an Executive Agreement signed between STAGL and UNIDO[11]. Similarly, all the technical studies, e.g. baseline assessments and technical designs have been developed through recruitment of national subcontractors, while the final products have been reviewed and approved through international experts. Furthermore, significant co-financing has been arranged from STAGL and the GoP for STZ infrastructure development.

On the other hand, as elaborated in the section on Timeliness, the procurement of CETP, which is the largest component of the budget accounting for 66.67% of the total GEF fund, has run into challenges due to budgetary constraints and the bid had to be launched again. Although the

[11] The first Execution Agreement between UNIDO and STAGL was signed in February 2017 for the duration of one year and an amount of USD 128,750. The second EA between UNIDO and STAGL was signed in April 2020 for the duration of three years (until 30 June 2023) and an amount of USD 2,367,000 for the execution of CETP, including civil works, electrical works, mechanical, equipment, and installation.

project document highlighted the risk of 'costs overrun for the CETP civil works and electro-mechanical equipment', during the implementation, the project did not sufficiently manage this risk by arranging alternate/sufficient funds prior to the initiation of the bidding process. While the average market price of CETP equipment is USD 3 million, the project had budgeted only USD 2.2 Million for this activity. Accordingly, the CETP equipment had to be retendered and with the expected price of USD 3 million, STAGL has started making preparations for paying the difference through alternative sources including private and public co-financing. In particular, while STAGL was successful in tapping PKR 80 million from the EDF to offset the increase in the costs of the civil works component due to inflation, no alternative source of funding to make up the difference in the budgetary shortfall for the electro-mechanical components of the CETP has been arranged so far. With these arrangements, it is expected that the CETP will now become functional by 2023. However, the current delay has led to a two to three year postponement in the operationalization of the STZ, a critical activity essential for the sustainability of the Sialkot tannery and leather industry. Accordingly, the MTR found the project's efficiency to be ***Moderately Unsatisfactory.***

4.4 PROJECT IMPLEMENTATION AND MANAGEMENT

This section provides a detailed assessment of the processes and structures involved in project implementation, including project management and staffing structure, timeliness of interventions, results-based work planning, monitoring and evaluations systems, financial management, and stakeholder engagement and communication.

4.4.1 PROJECT MANAGEMENT

With UNIDO as the GEF Implementing Agency (IA), the Sialkot Tannery Association Guarantee Ltd is the lead National Executing Partner (NEP) of the project. As stated earlier, STAGL was formed in 2004 with the cooperation of Sialkot Chamber of Commerce and Industry (SCCI) and the Government of Punjab through the Planning and Development Department (P&DD) and the Environment Protection Department (EPD) and with the aim of laying out, establishing, and maintaining the envisioned STZ. The organization is therefore a private sector representative body of 560 companies, including around 250 tanneries and leather goods manufacturers.

In compliance with project design, the Project Management Unit (PMU) is established at STAGL in Sialkot. The PMU is responsible for responsible for the day-to-day execution of all project

activities, including direct monitoring of those activities contracted to consultants and other vendors. In order to deliver on its obligations, the PMU is mandated to ensure participation of all stakeholders, and to take into account all needs of all groups involved, including industry, government, and community.

The PMU is staffed by a combination of staff provided by STAGL and UNIDO. Of these, STAGL provided staff include: a Project Director (PD), Secretary, Bookkeeper, and Driver. Whereas, UNIDO provided a Project Manager (based in Vienna), a National Project Coordinator (NPC), and an Effluent Treatment Expert. In addition to this, the PMU receives support from a number of technical experts, trainers, consultancy companies, and subcontractors, as and when required.

The MTR determined that all key project staff have been associated with the project either since the time of design or inception. The PD having also worked in the NORAD funded project for Cleaner Production (CP) in Sialkot tanneries, the predecessor project which recommended the establishment of the STZ, is well versed in the current project objectives. While the NPC, having served the project from the start in 2017 until 2019, was shifted to the parallel UNIDO-GEF project being implemented in Karachi on Solid Waste Management in the tannery industry in Karachi[12].

In addition, Implementation of the project through STAGL has helped the project work through an existing platform and network of stakeholders. Accordingly, the PMU receives any required support from the President and Board of STAGL, for instance when industry consent is required on key project decisions, such as design changes in the effluent and storm water conveyance system drains which necessitated significant additional financial contribution of almost PKR 150 from the tanneries. Furthermore, the UNIDO Project Manager based in Vienna provides the overall advisory support for program and financial management and assists with international recruitment of subcontractors and consultants.

Furthermore, the Project Steering Committee (PSC) was established in 2017 to provide guidance on project execution. In particular, the PSC was established to mobilize necessary resources in order to implement the project in a timely manner – especially approval and permission of the CETP construction and custom clearances. The PSC is headed by the Executing Partner, the Ministry of Climate Change (MoCC) and represented by key project stakeholders, including UNIDO, STAGL/Sialkot Chamber of Commerce and Industries, Environment Protection

[12] Transforming the Leather Processing Industries towards Low-Emissions and Climate Resilient Development Paths in Pakistan. UNIDO ID: 160069

Department, Punjab (EPD), Ministry of Commerce (MoC), and the Trade Development Authority of Pakistan (TDAP).

Overall, the MTR team found the project staffing to be sufficient and the PMU to be responsive to the project needs. In particular, the placement of PMU within STAGL has ensured project delivery in a consultative manner with the tannery industry as the key project beneficiary and stakeholder. Furthermore, it was determined that the PSC has been effective in delivering its mandate by mobilizing funds through co-financing, e.g. PKR 40 million from the EDF for the construction of the Chromium Recovery Plant. Similarly, the PSC has been instrumental in making key decisions about the CETP. For instance, when the outcome of international tender floated by UNIDO HQ for procurement of CETP electromechanical component proved to be beyond the project's financial capacity, the PSC took the decision to retender the CETP electromechanical component locally under STAGL. In conclusion, the MTR found the project's management to be ***Satisfactory.*** However, it was importantly noted that none of the key project staff or PSC members are women.

4.4.2 RESULTS-BASED WORK PLANNING, MONITORING AND EVALUATION SYSTEMS, REPORTING

4.4.2.1 WORK PLANNING AND MONITORING

The project has a multi-tier monitoring system in place, comprising of STAGL, UNIDO, and the PSC.

The responsibility of day to day progress monitoring rests with the PMU established at STAGL, while the Project Manager at UNIDO HQ provides overall guidance. In addition, the PSC meets once a year to review work plans and also make critical decisions in light of the monitoring data collected, affecting overall program progress. For instance, in 2019, the PSC was the driving force behind the decision to shift the responsibility of procurement for electro-mechanical component of the CETP to STAGL and request a three year no-cost extension from the project. Thus a participatory approach to work planning is being utilized in which all stakeholders are aware of and can make comments on annual work plans (AWPs).

Progress monitoring is conducted in accordance with the project's logical framework and UNIDO-GEF guidelines to ensure that activities are in line with the intended project objectives. Nevertheless, as outlined in the section on Design and Logical Framework, these documents had

some critical gaps, for instance, low budget allocation for the CETP, lack of quantifiable indicators, and overlap between outputs. However, as neither document has been revised to fix these shortcomings, the project has faced a critical roadblock with regard to CETP procurement. Moreover, reporting against overlapping outputs has been redundant.

Furthermore, the project does not have a formal monitoring system in place. As such, there is no M&E plan or monitoring tools that outline the process, responsibilities, modalities, etc. of data collection, analysis and reporting on project indicators (both the LogFrame and GEF tracking tool). In addition, the project has neither undertaken a baseline survey nor tracks impact of activities such as trainings. Similarly, the project lacks any strategy or framework to expand on the ProDoc priorities and targets for activities such as capacity building or Gender, thereby having little guidance for implementation or tracking of these activities to be reported in the GEF tracking tool.

Similarly, Risks are another monitoring element that the project provides informal information on, but are not explicitly monitored and continuously updated. While this provides the project with little means to establish formal adaptive management procedures (e.g. for assessments, decisions), the project has been able to perform this to a certain degree without such tools, e.g. continuation of project activities during the COVID-19 pandemic.

4.4.2.2 REPORTING

The Annual Progress Report developed by the PMU is submitted to UNIDO for review and approval. The activities reported in these documents were found to be in line with the AWPs. Furthermore, the MTR observed that owing to guidance from UNIDO, the quality of reporting has improved considerably since its start. For example, progress relative to indicators has in the past been predominantly narrative, but now includes progress according to indicators as well as short narrative explanations when applicable. Having said that, the lack of established quantifiable logframe indicators diminish the full effectiveness of this reporting method.

The MTR observed that the APRs are detailed in scope, since in addition to progress, they also include information on reactions, implications for the project's acceptance and learning outcomes from the capacity development workshops and consultative sessions held. Furthermore, reporting also continues to improve in documenting challenges and updating risks.

Moreover, while adaptive management decisions are not explicitly documented and reported, UNIDO's continuous interaction with STAGL, with whom UNIDO has built a good working

relationship, ensures that adaptive management decisions are taken with due consultation. Major adaptive management actions are presented at annual PSC meetings.

Also, in addition to the progress against GEF funding and logframe, the APRs present progress for major activities being implemented in the STZ through co financing as well. However, there is no obvious distinction made between the two sources of funding, therefore making it difficult to distinguish GEF-funded activities from others. Furthermore, it was observed that under output 1.1 which pertains to Gender Mainstreaming, none of the activities reported in the APR (i.e. tree plantation drive and the support to the establishment of a common sewage treatment plant for Sialkot city) have any relevant to gender.

While all stakeholders are diligently monitoring the project, and standard reporting procedures are being followed, the MTR found the project Monitoring to be ***Moderately Satisfactory*** due to the absence of a monitoring plan or associated frameworks as well as the lack of correction/improvement to the project document and logical framework as the foundational documents for monitoring.

4.4.3 FINANCIAL MANAGEMENT AND CO-FINANCE

4.4.3.1 GEF FUND

The project was designed to be funded by various sources, totaling to USD 18.01 Million. This included 18% contribution from GEF, 1% from UNIDO; and 80% from the Government of Pakistan (GoP) and STAGL. Table 02 provides a break-up of the total allocated resources at project design and expenditure at the time of MTR.

TABLE 02: PROJECT TOTAL ALLOCATED RESOURCES AND EXPENDITURE

	Allocation at time of ProDoc (US$)	Allocation at time of MTR (US$)	Expenditure at time of MTR	Percentage Expenditure
GEF	3,310,000	3,310,000.00	3,278,998.78	99.1%
UNIDO	250,000	250,000	70,538[13]	28.2%
Co-financing	14,450,000	12,140,000[14]	10,578,000	87.1%
Total	**18,010,000**	**15,700,000**	**13,927,536.78**	

Of the GEF fund, the total expenditure amounted to 99.1% by September 30, 2020, including committed funds of USD 2,499,755.13, most of which are allocated to the planned procurement of the CETP. This high expenditure is also reflective of the fact that the project has been operational for three years and has carried out the majority of activities under Outcomes 1 and 2, with the CETP under Outcome 3 as the major component pending now. Conversely, only 28.2% of the funds committed by UNIDO have materialized, most of which have been in the form of in-kind financing.

As shown in Table 03, Of the GEF fund, the largest proportion of funding was allocated to Outcome 3 (68.6%) that included the purchase of CETP electromechanical equipment. At MTR, the highest payments have been against Outcome 3 (106.9%), followed by Outcomes 1 and 2 at 89%, each.

[13] Cash: 20,538, in-kind 50,000 (estimate)

[14] The reduction in co-financing amount is due to the devaluation of PKR since the project design

TABLE 03 – DETAILS OF GEF EXPENDITURE (AS OF 30 SEPTEMBER 2020)

Outcome	Total Budget Allocated (USD)	Percentage Allocation	Total GEF Budget Expenditures[15] at MTR	Percentage Expenditure
Outcome 1 (Climate Resilient Urban Development)	460,000	13.9%	412,268.64	89.6%
Outcome 2 (Climate Change Awareness)	320,000	9.7%	285,795.46	89.3%
Outcome 3 (Demonstration of Technology)	2,270,000	68.6%	2,425,536.74	106.9%
Outcome 4 (Monitoring and Evaluation)	124,000	3.7%	20,582.72	16.6%
Project Management Cost	136,000	4.1%	134,815.22	99.1%
Total	**3,310,000**	**100%**	**3,278,998.78**	

4.4.3.2 CO-FINANCING

As seen in Table 04, at project design, total co-financing was USD 14,450,000. However, due to the sharp devaluation of the PKR, at MTR this amount has reduced by 16% to USD 12,140,000. This co-financing was provided by the provincial Government of Punjab for acquisition of STZ land, the STZ members (tannery and leather companies) for land and infrastructure, and the Export Development Fund (EDF) for civil works (including CETP).

[15] Expenditures = obligations + payments

TABLE 04: COMMITTED VS. ACTUAL CO-FINANCING FROM DIFFERENT SOURCES[16] AS OF SEP. 30 2020

Name of Co-Financier	Committed at Design (USD)	Actual Co-Financing (as of Aug. 31, 2020)
Private Sector **(STZ members)**	USD: 10.281 million (Rs. 1645 million)	USD: 6.69 million (Rs. 1071 million)
Govt of Pakistan (Ministry of Commerce through EDF)	USD: 7.31 million (Rs. 1170 million)	USD: 3.625 million (Rs. 580 million)
Govt of Punjab through EPD (for land)	USD: 1.825 million (Rs. 292 million)	USD: 1.825 million (Rs. 292 million)
Total:	USD: 19.416 million	USD: 12.14 million

While high levels of co-financing have been realized and the GEF project expenditure also stands at 99.1%, the MTR team found the financial management to be ***Moderately Unsatisfactory*** due to the sub-optimal financial planning for CETP procurement.

4.4.4 STAKEHOLDER ENGAGEMENT AND COMMUNICATION

The project's success is subject to the smooth coordination of the multiple private and public stakeholders. An assessment of stakeholder engagement and communication revealed that STAGL being the Executing Agency is the pivotal point for such coordination.

At the management level, STAGL and UNIDO enjoy a strong partnership, where the latter provides guidance to STAGL related to technical aspects of the project, such as technology design and procurement, and project management for compliance with UNIDO and GEF project implementation guidelines. Moreover, the participation of various stakeholders in the PSC ensures that major project decisions are made and AWPs approved in a consultative manner.

Moreover, STAGL being a membership body having 560 members which include not just the leather tanneries but also the leather goods and garment manufacturers, actively coordinates with its members in order to build consensus on major issues, such as financial contribution for

[16] As reported by PMU

the CETP and drafting the STZ bylaws, etc. STAGL involved and engaged the tannery businesses primarily through corner meetings and consultative sessions which were effective in getting the tanneries on board and involving them in decision-making and providing their inputs.

STAGL has also maintained an effective and cordial working relationship with various federal, provincial, and district level government agencies critical to the project's success. In general, these agencies are engaged through participation in the PSC, in person meetings to plan and implement project activities, and invitation to participate in the training and awareness raising events organized by STAGL under the project. In particular, for the implementation of this GEF funded project, STAGL enjoys strong relationships with MoCC, TDAP, DDMA/PDMA, EPD, Irrigation Department, and Rescue 1122.

Furthermore, STAGL has developed synergies between the current GEF project and a parallel EC funded project that is being implemented by WWF in collaboration with the STAGL, titled "International Labour and Environment Standards Application in the Textile and Leather SMSE Industry in Pakistan" in five districts across Pakistan, including Sialkot. The project was granted to WWF in 2016 and work officially started in Sialkot in 2017. STAGL was a key stakeholder for WWF in Sialkot; the latter was tasked with doing comprehensive audits in environmental standards of about 15 industries, 8 to 9 of which were comprised of leather tanneries. STAGL ensured synergies and resource-sharing between the two projects in the form of holding joint seminars and training sessions. WWF has also been requested to conduct the GIS mapping of the Dugri drain and flow modelling for the flood scenarios as part of the flood management plan. Additionally, STAGL in collaboration with WWF is also developing Green Tannery Designs and the establishment of wetlands to further improve the quality of treated effluent from CETP.

For the gender mainstreaming component of the project, STAGL has partnered with the Government College Women's University (GCWU) Sialkot, to develop and implement an internship program where about 50 women students of the environmental science department were placed in one of three core areas – OHS, EMS, and SWM – in various tanneries for three months duration to gain practical experience in the industry.

Finally, the current project is also providing support to a parallel GEF-UNIDO project for the improvement of tannery sector in Karachi[17], at least in an unofficial capacity. Thus far, a delegation of the project representatives from Karachi have visited Sialkot. More importantly, the National Project Coordinator who served the Sialkot project for the initial two years is now

[17] Transforming the Leather Processing Industries towards Low-Emissions and Climate Resilient Development Paths in Pakistan. UNIDO ID: 160069

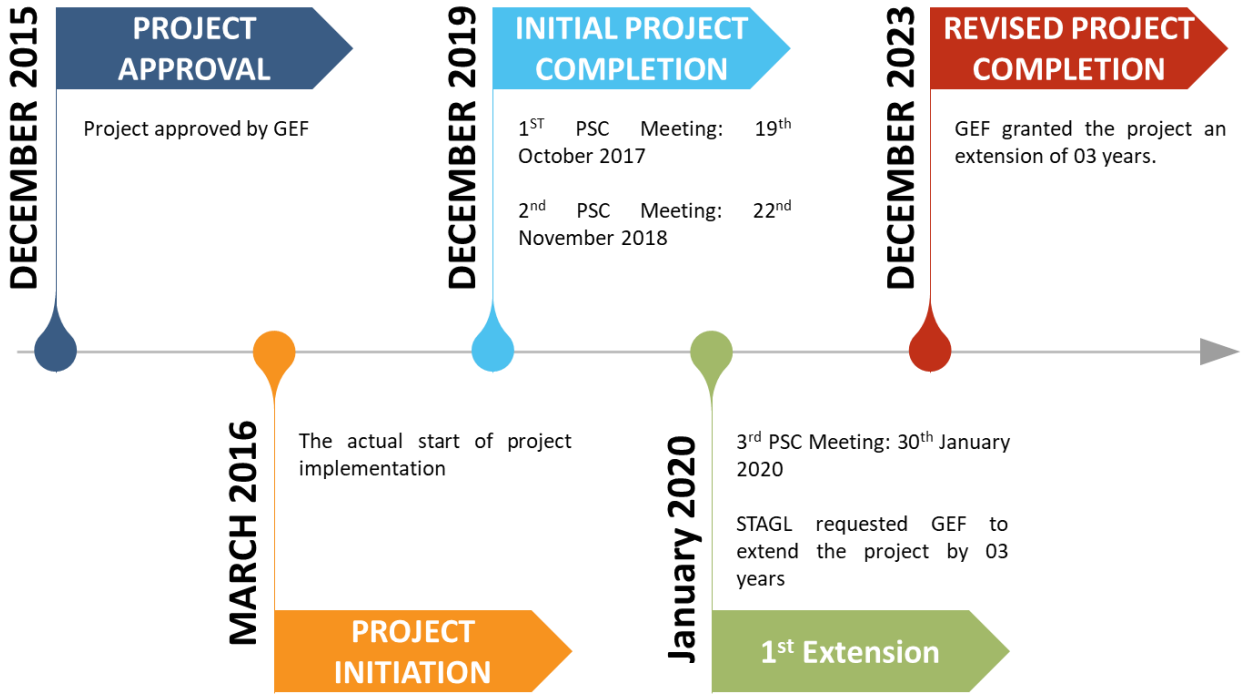
serving the Karachi project in the same capacity since its start. It is also anticipated that due to the commonality of issues and thematic overlap between the two projects, the training and communication resources developed under the Sialkot project are currently, and also in the future, being used in Karachi as well, e.g.: trainings and capacity-building activities pertaining to H2S, OSH, and CP technologies.

In conclusion, the MTR determined that the project's efforts for Stakeholder Engagement and Communication has been ***Satisfactory.*** However, it is important to note that the project has yet to engage the local community around the STZ, as outlined in the project document. These efforts have been postponed until the move to the Zone.

4.5 TIMELINESS

The current project was approved in December 2015 and project implementation started in March 2016. The project was originally designed to be completed in December 2019, a period of 04 years (48 months). However, in January 2020, at the request of UNIDO and the project stakeholders, GEF extended the project till 2023. Consequently, the project has been delayed by 03 years, or 75 percent of the original 04 year duration.

FIGURE 03: PROJECT TIMELINE CHART



This delay can be mainly attributed to two reasons. Firstly and more crucially, the international tendering process of the mechanical and internal electrical works of the CETP that was supervised by UNIDO was unsuccessful. In February 2019, the invitation of bid was published and UNIDO HQ's procurement department sent out email invitations to 14 potential suppliers it had identified. The submission deadline was initially set for a period of 8 weeks after the date of the bid's posting and was extended by an additional 04 weeks, for a total period of 12 weeks till May 2019. However, at the end of the bidding period, UNIDO's procurement department only received a total of 02 proposals.

The bid from one of the bidders, Pollution Engineers (M) SDN, Malaysia was rejected by UNIDO's procurement unit as it did not meet the qualification criteria set out in the Tender. The other bidder, Italprogetti, Italy, provided a comprehensive and detailed technical proposal for the TEG's general satisfaction. However, Italprogetti had proposed some technical modifications to the original design and after extensive discussions among the members of the TEG in its second all members' conference meeting in July 2019, it was decided to accept the two modification proposals from Italprogetti. It is important to note that a delay of eight to nine months was experienced during the technical evaluation as UNIDO attempted to get the bidder designs to meet the design standards developed by the project.

After the completion of the technical evaluation, the UNIDO procurement team evaluated the financial offer made by Italprogetti and found the offered price of USD 4.97 to be 126% higher than the available budget of USD 2.2 Million within the GEF-funded project. Therefore, the tender was cancelled, and it was instead decided that with UNIDO's technical support, STAGL would execute the re-tendering locally with the funds available under GEF funding. However, to complete the CETP bidding, installation, and operationalization processes, the project requested UNIDO a no-cost extension of three years until December 2023.

The delay in the tendering of the electrical and mechanical components of the CETP has also resulted in a delay in the civil works component of the CETP as the civil works have to be matched and coordinated with the electric and mechanical works. This delay in the initiation of civil works has resulted in an 18.75 percent escalation of costs from PKR 320 million to PKR 380 million.

Furthermore, with the advent of COVID-19, offices remained closed for at least a month in March-April 2020, during which time the project was unable to undertake any capacity building or coordinating activities including the launch of the 3rd batch of women internees from the Environmental Science department of the Government Women College University College – Sialkot, and the hiring of international consultants for various activities such as capacity building

activities. Moreover, a number of approvals from DG-TDAP office regarding the award of tender contracts and bid evaluations for the civil works component of the CETP were also pending.

Work on the Flood Risk Management Plan for the STZ is also underway with assistance from UNIDO for the preparation of the ToRs for the hiring of an expert to develop the Plan. However, the COVID-19 pandemic and the resultant lockdowns and restrictions in travel have caused a delay in the tendering and recruitment process. Additionally, STAGL also planned to hire an expert to prepare materials for transmitting the CCA benefits to project beneficiaries including both vulnerable communities and leather business owners. Due to the limited availability of experts in Pakistan, UNIDO was approached for the development of ToRs for the identification and recommendation of an international expert. However, due this aspect of the project is also facing delay due to the pandemic.

4.6 EFFECTIVENESS AND PROGRESS TOWARDS RESULTS

This section provides an outcome-wise analysis of the project's results. In accordance with the MTR guidelines, the analysis for effectiveness focused on the extent to which the project's objectives at the outcome level were achieved, or are expected to be achieved.

4.6.1 OUTCOME 1

Component 1 – Mainstreaming Climate Change Adaptation (CCA) and gender equality for adaptation into urban and rural development planning

Outcome 1: Climate resilient urban development in Punjab/Sialkot District and reduced vulnerability of rural, urban and other Communities affected by CC (e.g. droughts, floods) through improved adaptation measures – water retention, flood management etc.

Output 1.1: CCA and gender equality mainstreamed into Punjab and Sialkot district urban development plan

Output 1.2: Flood management plan for the Sialkot Tannery Zone (STZ) and the pilot Dugri drain in Sialkot developed

In accordance with the project's objective to reduce vulnerability and building resilience through integration of climate change adaptation into urban development, a *Climate and Social Assessment (CSA) Study for Sialkot Tannery Zone* was undertaken during the PPG phase. The study provided recommendations for CCA in the areas of hazard management, land use

management, industry adaptation, environment management, and socio-economic adaptation. Ensuing recommendations from the study focused on flood protection and management as the major area of intervention.

Accordingly, under this outcome the project has been working to incorporate flood management in the Sialkot urban planning as well as undertaking flood protection measures in the STZ, as follows:

Urban Planning - Since the start of the project, the results of the CSA study have been disseminated to the district administration and disaster management departments at various fora. As a result, since 2019 the District Disaster Management Authority (DDMA) Sialkot has designated the STZ as a vital installation in the District Disaster Management Plan (DDMP)[18]. In accordance with the DDMP, the DDMA has prepared and developed an evacuation plan and conveyed to STAGL authorities the details of the logistics involved in setting up camps in the area that would provide food and medicine to those affected in case of flooding. Moreover, a one kilometer radius area around the STZ has now been officially declared a buffer zone, thereby prohibiting any residential activities to take place.

Furthermore, based on its experience with CETP design, the project has shared its knowledge of effluent treatment technology with the ADB-funded Punjab Intermediate Cities Improvement Investment Programme (PICIIP) which aims to establish a common sewage treatment plant for Sialkot City. Similarly, as a result of project's communication and collaboration strategy, the Govt. of Punjab has included leather sector in a World Bank supported program "Punjab Green Development Program (PGDP)". Under this project, STZ will be provided financial support for further development.

Flood Management - To ensure flood resilience of the STZ area, STAGL has undertaken consultations with the PDMA and DDMA and implemented several measures proposed by the CSA and these consultations. These include: i) widening and de-silting of the Dugri Drain; ii) Embankment of STZ project site to protect it from flash flood; iii) Elevating road levels within STZ one feet higher to create barrier for flash floods; and iv) Addition in construction by-laws of STZ instructing that the finished floor level of tannery/factory to be one feet above the road level. These measures were implemented with co-financing provided by various resources, including EDF (embankment construction, road elevation, and widening of 5 KM[19] of Dugri drain in the

[18] The DDMP focuses on preparedness, response, and rehabilitation strategies and is updated annually to reflect the current situation.

[19] Total length of the Dugri drain is 23 Kilometers

immediate vicinity of the STZ) and SIAL (maintenance and cleaning of the Dugri drain). However since 2020, upon lobbying by STAGL, the irrigation department now plans to undertake the widening the drain at other locations and also stone pitching of the Dugri drain by 2023.

Under the GEF fund, the project also plans to develop a Flood Risk Management Plan for the STZ. While the TORs to hire an expert for this activity have been developed in collaboration with UNIDO, as mentioned in the section on Timeliness, expert recruitment has been delayed due to COVID-19.

In addition, going beyond contributing to urban planning, STAGL has also embarked on a tree plantation campaign within the STZ. Thus far, against a project target of 50,000 trees, 10,000 trees have been planted. Furthermore, a site within the STZ is now being allocated for the establishment of a Rescue 1122 station dedicated to the Zone.

Moreover, as elaborated in the section on Gender, the project has placed more than 50 women graduates of the Environmental Sciences department from the Government Women University Sialkot in the local tanning industry. The interns were mandated to promote environment protection and CCA in the industry through Cleaner Production practices.

Overall, the MTR has found the progress of Outcome 1 ***Satisfactory.*** In particular, the project has informed and engaged various district management authorities involved in urban planning and disaster resilience, including the DDMA, irrigation department, and SIAL. The incorporation of STZ into the DDMP will ensure support to the STZ in the case of natural disasters. Moreover, based on its experience with the project, STAGL is now in a position to provide input into future urban development planning of District Sialkot by sharing knowledge and lessons learned with projects such as the PICIIP. Whereas the upcoming PGDP program will ensure further environmental protection of the STZ. Finally, while Gender is not consciously mainstreamed into the urban plans, the unique internship opportunity provided to local women graduates of Environmental Sciences will ensure the contribution of women professionals to CCA in the future.

However, against the target of 50,000 trees, thus far only 10,000 (20%) have been planted in the STZ, thereby leaving a significant gap in the achievement of this important activity.

4.6.2 OUTCOME 2

Component 2: Climate Change Resilience Building of Vulnerable Communities and Leather Business Owners

Outcome 2. Increased awareness among targeted community groups and leather business owners on CCA concepts/practices and the dissemination of information and expansion of the CCA strategy and project benefits

Output 2.1.Awareness raising activities for target groups – with representatives from rural and urban communities, policy makers, industry and agriculture, to sensitize all groups involved and to better understand and incorporate CCA concepts into urban, rural and industrial planning and processes undertaken

Output 2.2 Community based trainings on CCA, to overcome CC, through water and energy conservation and flood management undertaken

Output 2.3 Sensitization and joint dissemination activities and workshops for all target groups to have a better understanding of target group needs towards building resilience to CC prepared

Output 2.4 Guidelines on best practices and project knowledge dissemination within Pakistan and other countries in the Sub-region through websites, guidelines and communication products in various languages prepared

Under this outcome, the project aimed to improve local, organizational, and community knowledge with regard to CCA measures, including water stress resilience and water conservation. In addition, there is an emphasis on broader dissemination of project experiences and results to reach international audiences.

Thus far, the project has undertaken several certificate and non-certificate trainings and information dissemination activities with participation from over 150 individuals from the leather industry, academia, and authorities, etc. In particular, more than 50 representatives of various stakeholder organizations, including tannery units, Rescue 1122, Gujranwala institute of Leather Technology, and students of environmental studies have been certified in H2S gas using UNIDO's eLearning portal. Moreover, considering the importance of clean production in LWG compliance as well as the operations of CETP, non-certificate training and awareness raising activities undertaken by the project also focused on BAT/BEP/Cleaner Production Techniques, water conservation, CCA, and O&M of effluent treatment plant, etc. For instance, training and discussion topics include: desalting of hides, techniques to lower high exhaustion of chemicals, water metering, etc.

These trainings were based on information and materials developed internationally by UNIDO to support its work in the leather and tanning industry around the world. Moreover, the

BAT/BEP/CP trainings were conducted based on an on-ground need assessment of tanneries in accordance with LWG guidelines. While some basic trainings were delivered by international experts, to ensure effective communication and bridge the language gap with participants, most of the events were delivered by national/local level facilitators. It is also important to note that STAGL capitalized on synergies between the current UNIDO STZ development project and the EC-funded WWF-implemented ILES project[20] by building on the knowledge and findings of the industry audits conducted by latter as well as undertaking joint information dissemination activities under the two projects.

Trainees and event participants have also been provided standard information material developed by UNIDO, e.g. Best Available Techniques (BAT) Reference Document – Review of EU normative documents and legislation and their relevance for the tanning industry in developing countries. Moreover, to facilitate understanding by local audiences, UNIDO has also assisted STAGL to translate various UNIDO learning materials into Urdu. These include: online E-learning module webpage, E-learning modules, video clips and OSH literature.

Moreover, various consultative and dissemination workshops have also been held to convey the project plans and findings, e.g. for discussion and information on Typical Tannery Design Guidelines or seeking agreement on STZ bylaws.

Furthermore, UNIDO also organized learning missions for STAGL members to the Leather Hub of SANTA CROCE- ITALY & Bursa-Turkey. The visits focused on the use of pollution control through cleaner production techniques and establishment of Chrome Recovery Plant (CRP) and Combined Effluent Treatment Plant (CETP). Moreover, to improve their disaster response capacity, STAGL staff participated in a training program on Multi Sector Initial Rapid Assessment (MIRA). Organized by the NDMA/MoCC.

The MTR team determined that Outcome 2 plays a supportive role to build capacities towards the delivery of Outcomes 1 and 3. Further, the overarching philosophy or theory behind the training component is to help tannery businesses realize the problems arising from lack of following efficient processing methods and bringing about behavioral change by sensitizing them on best practices.

[20] "International Labour and Environment Standards Application in the Textile and Leather SMSE Industry in Pakistan" in five districts across Pakistan, including Sialkot. The project was granted to WWF in 2016 and work officially started in Sialkot in 2017 during which time STAGL facilitated WWF Pakistan's activities in Sialkot.

However, due to the lack of a documented training and capacity building strategy as well as quantifiable indicators for the numbers and types of training activities in the project's logical framework, and a lack of systematic follow up with participants of awareness raising and capacity building activities, it is not possible for the MTR team to make a conclusive judgment on the effectiveness of this outcome. Nevertheless, in the absence of other voices on CCA in the tannery industry of Sialkot, through activities under this outcome the project has actively worked to fill the knowledge void among local stakeholders to some degree. For instance, based on training and information content provided by the project, the tanneries are now expected to have greater awareness on wastage of water and resources in the production process as well as OSH concerns, such as the risks and mitigation measures associated with the use of Hydrogen Sulphide (H2S).

Nonetheless, since 80% of the tannery businesses in Sialkot are MSMEs, most of these engaging 40 workers or less, one of the problems faced by the project was the reluctance of business owners to spare their staff to attend trainings and events. Moreover, since cleaner practices are a factor of finances and attitudinal change, in the absence of any accompanying incentives, it is expected that the improved processes promoted by the project will take some time to take root. However, in the case of bigger companies (which form the minority), the project has reportedly made some difference, e.g. in the areas of controlling water usage through the installation of water meters, and use of protective equipment to prevent exposure.

Furthermore, the project has not engaged local communities yet in any of the activities under Component 2 and anticipates working with the local community after a move to the STZ. Similarly, in order to ensure their relevance and practicality, a number of awareness raising activities, e.g. CCA adaptation measures for farmers and community members have been delayed until the shift to the STZ.

In conclusion, while the project has undertaken a wide range of relevant awareness raising and capacity building activities, in the absence of a capacity building plan and follow up measures, the MTR found the effectiveness of Component 2 to be ***Moderately Satisfactory.***

4.6.3 OUTCOME 3

Component 3: Sialkot District and Sialkot urban plan implementation, dissemination of information, demonstration of safe, affordable and advance technology for water treatment and water conservation in the pilot Sialkot Tannery Zone (STZ)

Outcome 3 Increased resilience of the most vulnerable groups in rural and urban areas by introduction of advanced, safe, affordable and resource efficient technologies for water and waste water treatment within leather industries in the STZ, thereby preserving water availability for agricultural use.

Output 3.1 - Various alternatives, especially water harvesting, and appropriate effluent treatment technology for pilot STZ verified and adopted

Output 3.2 Assistance provided with the preparation of ToR, tender, technical evaluation and supervision of work and installation of Central Effluent Treatment Plant (CETP) including technology for one CETP module

Output 3.3 Practical training for improved production efficiency, lower environmental footprint and pollution reduction technologies demonstrated

Output 3.4 Opportunities to use treated water discharge system, useful and available for agricultural purposes verified and adopted

Output 3.5 Segregation of useful by-products of leather industrial waste, for further use, mostly by agriculture

Output 3.6 Water conservation practices/technologies for tanneries to increase resilience of the most vulnerable groups are introduced and adopted

This outcome focused on the management of liquid effluent through the establishment of a Common Effluent Treatment Plant (CETP) in the STZ. Furthermore, the project also aimed to provide technical guidance to STAGL with regards to solid waste management and water conservation techniques.

Effluent Treatment Technology: A techno-economic study on alternative effluent treatment technology was carried out under the project. Moreover, a national consultancy firm was recruited by STAGL to develop a CETP design. The design was delivered in November-December 2018 and reviewed by an international expert hired by UNIDO. Based on the recommendations of the techno-economic study, STAGL members had to incur an additional cost of nearly PKR 150 Million through modifying the design and completing construction of segregated conveyance

system comprising of three separate drains for storm water, pre-tanning effluent from Beam house, and post tanning & finishing effluent.

Considering the lack of national technical capacity, procurement of the CETP was split in two parts, including: i) Civil works and general electric works to be procured by STAGL with EDF funds; and ii) Mechanical and electrical works to be procured by UNIDO with GEF funds. In the first half of 2020, STAGL awarded the contract for construction of CETP civil works to a national consultancy firm with a planned start date of October 2020.

In order to procure the electro-mechanical (E-M) component of CETP, UNIDO has provided technical support to STAGL in the form of recruitment of a design expert and preparing tender documents to procure the system[21]. Furthermore, UNIDO floated the tender internationally in February 2019. However, only two bidders applied, of which one was disqualified due to not meeting basic criteria. A possible reason for the low response rate is the qualification criteria that required international bidding companies to have an office in Pakistan for after sales service, a condition that could not be readily met.

After a lengthy review process (encompassing approximately eight months) of the technical bid from the only short-listed company, using a single envelope – two stage bidding process, it was found that the accompanying financial bid price at USD 4.2 million was substantially higher than the project's budgeted amount of USD 2.2 million for this component. Hence, in the absence of access to additional funds, the project had to reject this bid as well.

Consequently in January 2020, it was decided by the PSC to transfer the responsibility of E-M to STAGL, who with the technical support of UNIDO will undertake the procurement. At the same time, in order to accommodate for the delay in implementation and to also give sufficient time for E-M procurement, installation, and operationalization, the project's request for a no cost extension of three years (until 31 December, 2023) was approved by GEF.

Accordingly, UNIDO's Executive Agreement (EA) with STAGL has been revised and a tender was floated in July 2020, in compliance with Pakistan Engineering Council (PEC) regulations. In response to the new tender floated by STAGL, five bids were received in October 22, 2020 which were under review at the time of this MTR[22].

[21] The CETP design is based on modular approach. With a maximum capacity of 12,000 m^3, comprising of 4000 m^3 capacity per module, the CETP can be installed in installments. The current UNIDO project aims to finance only one module and the later can be added with additional funding in accordance with increased demand over time.

[22] In consideration of the CETP construction schedule, STAGL has allowed tanneries to start construction in the STZ from October 2020. In this manner, the completion of tannery construction will coincide with the operationalization of the CETP.

Furthermore, to compliment the CETP, STAGL is also setting up a Common Chrome Recovery Plant with a capacity of 60m3/day. This plant is to be established with PKR 40 million co-financing obtained from the EDF, and the procurement process was currently underway at the time of the MTR.

Solid Waste Management **-** Using GEF funds, the project also plans to recruit an expert to develop an integrated solid waste management system with the aim to convert solid waste to fertilizer or energy. Encouragingly, the EDF has already granted STAGL PKR 290 million for establishment of a waste to energy plant. Accordingly, STAGL has started reviewing different technologies such as close circuit pyrolysis.

Water Conservation Practices/Technologies – As the tannery industry in Sialkot suffers from high water use inefficiency, STAGL carried out a study in collaboration with the WWF ILES project and determined that the industry is using 60-70 liters of water per Kg of leather as opposed to UNIDO's benchmark of 12 liter water per Kg leather. Based on the requirements of CETP, LWG compliance guidelines, and findings of the WWF study, STAGL has undertaken various measures to ensure that the STZ infrastructure is based on the principles of water conservation and the tannery industry is aware of the importance of water usage efficiency in production processes.

As a major measure, in consultation with the tannery industry in Sialkot, STAGL has developed bylaws for construction and operation of tanneries in the STZ. These bylaws focus on enforcement of BAT/clean production techniques and LWG compliance, etc. For instance, to discourage the current practice of using water without check, tanneries in the STZ will be required to install water meters and also construct an overhead water storage tanks. Similarly, an international engineering consultancy firm hired with UNIDO's support has developed draft Typical Tannery Design Guidelines. Despite the 20%-25% higher construction cost as compared to existing designs, the STZ bylaws will make it mandatory for all tanneries setting up operations in the STZ to follow these construction and design guidelines, thereby enabling them to comply with LWG standards. Furthermore, through following the guidelines, the pollution load on the CETP and overall environment is expected to reduce through measures such as solid waste and water segregation, pre-treatment of effluent, and installation of oil and grease traps, etc.

Similarly, after the UNIDO-assisted exposure visit to Bursa in Turkey, the STZ has decided to establish a centralized fresh water supply system within the STZ. Currently, the design of the system is underway. Furthermore, as elaborated under the progress against Outcome 2, the BAT/BEP and LWG focused trainings and awareness activities have also included topics on water conservation importance and techniques.

The MTR team determined that the delay in CETP procurement, a lynchpin element of the project, has critical financial and planning implications for several other project activities. Of these, the most important ones are the cost escalation of 18.75% (i.e. PKR 380 million as compared to the original PKR 320 million) associated with civil works and the delay in move of tanneries to the STZ. The latter have been banking on the move to the STZ in order to comply with LWG and will now continue to incur opportunity costs due to their inability to access higher paying markets. Moreover, some interviewed tanneries have also held back expansion in their current location due to the anticipated move. While there is also a possibility of further cost escalation for the CETP civil works component in the event of further devaluation of PKR. However, the project's timely decision to re-assign the responsibility of procurement to STAGL with modified modalities has put the project back on track for the time being.

On the other hand, the MTR team found that with UNIDO's technical support, STAGL has been actively pursuing other associated activities under this outcome which are to be funded by co-financing from EDF and STAGL. These mainly include planning and procurement of the Chromium Recovery Plant (CRP) and solid waste management system. Similarly, several measures to improve water efficiency have also been taken, including the drafting of bylaws and commissioning of Green Tannery Design.

In view of these facts, the MTR found the performance of Outcome 3 to be ***Moderately Unsatisfactory.***

4.6.3 OUTCOME 4

Component 4: Quality Control Monitoring and Evaluation

Outcome 4 Quality control and efficient monitoring and evaluation of project intervention to support adaptation by CC vulnerable communities

Output 4.1 Timely annual reports prepared; midterm review and final evaluation [using Adaptation Monitoring and Assessment Tool (AMAT)] of project activities completed

An assessment of the project's Monitoring and Evaluation is provided in the relevant section under Efficiency. The MTR team found the performance of this outcome to be ***Moderately Satisfactory.***

In conclusion, while the project has continued to deliver on its objectives, due the limited progress on the procurement of CETP, a major project component, the MTR found the project's effectiveness to be ***Moderately Unsatisfactory.***

4.7 IMPACT

While most project activities have only recently been implemented and others are at procurement or planning phase, it is not possible at this time to provide a conclusive assessment of the project's impact. Furthermore, an assessment of impact is not possible in the absence of a baseline assessment, lack of SMART logframe indicators for most activities, and want of formal follow up mechanisms to assess project impact. However, as discussed below, there is some early evidence of impact on local capacities as a result of the activities undertaken by the project.

Participation in the project has significantly improved STAGL's technical capacity for integrating CCA in the STZ's operations. Towards this end, the continual technical guidance from experts hired by UNIDO, participation in the design and bidding process of CETP, learning from UNIDO's international training and knowledge on various CCA aspects of tannery industry, and international study tours have been activities of key importance.

For instance, STAGL was invited to share its knowledge on Effluent Treatment with the ADB's Punjab Intermediate Cities Improvement Investment Programme (PICIIP) which aims to establish a common sewage treatment plant for Sialkot City. Similarly, participation in international exposure visits to Turkey and Italy provided the project an understanding of effective waste management and water conservation techniques. As a result, STAGL has adopted several measures in the STZ planning, such as the installation of a fat extraction plant and centralized water supply.

On the other hand, the impact of various training and awareness raising activities on tannery industry cannot be readily assessed due to the lack of systematic follow up to assess adoption. Having said that, as uptake of the improved production practices is a factor of financial capacity and attitude, it is anticipated that tannery units which are linked to high end markets, and comprise approximately 20% to 25% of the tanneries in Sialkot, are likely to adopt these over a period of time.

Finally, the internship program focusing on training of women graduates has resulted in the production of a trained cadre of local women professionals.

4.8 SCALE-UP, SUSTAINABILITY, AND RESILIENCE

Sustainability of the project was assessed with the potential for continued benefit from project interventions, replication and scale-up through adoption by project stakeholders, and resilience to social, economic, financial, and technological, factors, etc. For the purpose of MTR, sustainability was assessed for activities that have already been implemented.

The project has undertaken a number of activities with regards to resilience. A major measure in this regard has been the inclusion of STZ in the DDMAs District Disaster Management Framework (DDMF). This entails the inclusion of STZ in the government's disaster preparedness, response, and recovery activities, such as floods. Similarly, a number of other flood protection measures have been employed by the project, including flood protection walls, STZ infrastructure changes, and the widening of Dugri canal are likely to ensure resilience to climate change induced events.

In addition, through their participation in the project, the institutional capacity of STAGL and various stakeholders such as DDMA and Rescue 1122 has developed. This improvement in technical knowledge is already being replicated through its application to other sectors and industries. Examples in order are the OSH trainings for Rescue 1122 which can also be applied to the other major industries in Sialkot. Similarly, STAGL has been asked to share their knowledge on Effluent Treatment with planners of the Sialkot's upcoming Common Sewage Treatment Plant as well as industry representatives from nearby Gujranwala for the establishment of a 'metal industry zone'.

Furthermore, trainings and awareness raising on CCA, resilience, Clean Production, OSH, and water usage, etc. has enhanced the collective knowledge of the local tannery industry. However, financial ability is the major threat to the adoption and sustainability of this knowledge as most of the tanneries in the district are MSMEs. Similarly, it is expected that the attitudinal changes required for such a change to happen will require some time as well as market incentives. Another critical threat to the sustainability of the project supported capacity building activities is the risk of their discontinuation after project funding. While this risk may be mitigated to some extent through potential support from the upcoming World Bank funded 'Punjab Green Development Program (PGDP)', the project linkage with STAGL was a chance coincidence and in fact no exit strategy has been incorporated into project design to ensure the sustainability of this activity.

With regards to CETP operations, a major lesson learned through UNIDO's earlier support to the CETP in Kasur has been to ensure the availability of O&M cost in the long run. Towards, this end,

it is being ensured that CETP will be operated by STAGL based on usage fees charged[23] to the tannery owners in the STZ. Similarly, the overall financial sustainability of the STZ is likely to be ensured through contributions for various other services and infrastructure by companies housed in the zone as well as from GOP contributions.

Furthermore, considering the importance of environmental compliance for the survival of the tannery industry by reaching high end markets, it is anticipated that the project will continue getting policy and financial support from STAGL and the GOP. This is already demonstrated in the high levels of co-financing as well as linking STAGL to the PGDP for the supply of natural gas, leftover roads, and implementation of cleaner production techniques, etc. through a grant of PKR 500 million. Similarly, the contribution of additional PKR 150 million to the construction of CETP-related infrastructure, as well as the fact that all the available plots in the STZ have been sold out are a testament to the fact that the local industry is keen to avail and support the facility.

However, in the short to medium term it will be important to keep an eye on the productivity of the local leather industry due to a decline in international orders owing to COVID-19, as this can potentially affect the financial capacity of companies to move to the STZ. Furthermore, since the CETP is to be operated through usage charges, it will be important for STAGL to arrange some portion of the O&M funds from alternative resources, at least until the requisite number of companies move to STAGL to bear full operation costs.

In conclusion, while the project has made gains towards incorporating resilience in the urban planning and also raised awareness and capacity with regards to cleaner production practices, operationalization of the CETP, a major project component, is still to be realized and has already faced financial challenges. Accordingly the likelihood of sustainability for the project's outcomes was found to be ***Moderately Unsatisfactory.***

4.9 GENDER MAINSTREAMING

Gender mainstreaming was incorporated into the project design, particularly the need for adapting and mainstreaming gender equality into the urban and rural planning. Moreover, women from the local community were to be made aware of their role in and contribution to CCA and resilience. However, due to the lack of a Gender Assessment at the time of design or a

[23] At present, the agreed user fees for CETP usage are PKR 8 – 10 per square foot of leather processed

Project Gender Mainstreaming Strategy during implementation, the project lacked specific direction when it came to promoting women's participation.

Having said that, the project has focused its Gender Mainstreaming efforts on the professional development of women graduates. Through a partnership with the Government College Women University Sialkot (GCWUS), STAGL has developed a well-formulated internship program for the women students. The GCWUS is the only public sector university in Sialkot for either gender, and the internees comprised of the first and second batches of the recently established Environmental Sciences department. Thus far, the project has placed approximately 50 women students in their final year of study in the Environmental Sciences department. The women were placed into five tanneries based in Sialkot for a three month internship period in one of three identified areas: a) solid waste management; b) occupational safety and health; and c) environmental management system.

Several measures undertaken by STAGL ensured the success of this program in terms of retention of women interns in a strictly male dominated industry. Some of these measures include: provision of transport to and from the tanneries, a monthly stipend, lunch, and the assurance from the tanneries to provide them appropriate workstations. In addition, STAGL also provided ongoing training, guidance, and mentorship to the interns on both the technical aspects of working in tanneries and the leather industry as well as the social and professional norms and values espoused in the workplace. This later measure proved to be critical for the success of the interns during their placement period. For instance, in addition to knowledge on the standard operation of tanneries, interns were also mentored on how to advocate for the environment while keeping the business interests of the management in mind. And while they had limited success in getting management to implement their suggested interventions, the women gained valuable exposure to and practical experience in real-world work environments; an opportunity that women seldom have in Sialkot. Accordingly, despite considerable push back from their colleagues at the tanneries, the women interns were able to contribute to practices and knowledge on solid waste management, OSH, and EMS.

However, the interns observed that Industrialists do not seem to prioritize the environmentalist perspective and focus mostly on their bottom line. As a result, there are limited roles for environmentalists in the industry and especially more so for women. Consequently, of the 25 to 30 fellow interns in their batch, about 6 or 7 gained employment as teachers in private schools and some pursued further education. However, none of the former interns gained employment in the industry.

Nevertheless, the executive management at STAGL believes that there is considerable value in continuation of the internship program and hopes to mainstream gender in the industry over time. Consequently, STAGL has also engaged the interns in various training and capacity building activities as both participants and contributors. For instance, many of the former interns have participated in the H2S trainings imparted by STAGL to the tannery workers. In the future, STAGL intends to hire one or two former interns as environmentalists on its staff.

On the other hand, STAGL has yet to involve the local NGO – Community Development Concern – to socially mobilize, involve, and motivate the women and local community members and engage them in imparting CCA awareness and trainings to build resilience to climate change. This activity has been shelved until work on the CETP reaches a mature stage. The project also identified that opportunities for women can arise in the STZ through the availability of jobs through additional services like food stall owners and operators.

However, delaying action on mainstreaming of women workers until the STZ's operationalization is not advisable, since women form about 25 percent of the estimated 400 households in the vicinity of the STZ are involved in the local industry in some capacity[24]. However, of those working in the leather sector, women work in the gloves and garments manufacturing sector. Women are generally not employed in tanneries[25], especially for the labor-intensive aspects of the tanning process. However, larger tanneries have reportedly had a few women on staff in administrative positions. Furthermore, STAGL sees some potential for women to work in the packaging and finishing sectors but are otherwise hesitant to bringing in women employees in a workplace made up almost entirely of men.

The MTR team determined that with the internship program, STAGL has identified a niche for gender mainstreaming. This program is not only contributing to the development of a local cadre of professional women with knowledge of CCA and resilience in the tannery sector, but will also likely contribute to acceptance of women professionals by the industry in the medium to long term. Conversely, the project has set aside work with women workers/laborers for the time being. Based on this assessment, the MTR team found the performance of project on Gender Mainstreaming as ***Satisfactory.***

[24] MTR interview community members around the STZ
[25] MTR interviews with STAGL and tannery owners

4.10 PERFORMANCE OF PARTNERS

This section discusses the performance of key project partners, including GoP, UNIDO, and STAGL.

The MoCC which is a NEP and chairs the PSC has convened the PSC meetings on schedule which has been involved in making decisions regarding the designing and planning of the annual work plan, monitoring and reviewing project status and providing oversight of the project deliverable to ensure objectives are being adequately addressed. It is anticipated that support of MoCC will be sought in the near future for making the imports of CETP and STZ related equipment duty free.

Along with the MoCC, the GoP is also represented through the Ministry of Commerce, TDAP which is an important funding source for the project and has been crucial in the funding of the civil works of the CETP and various other STZ construction elements. In particular, the TDAP through its Export Development Fund (EDF) has provided PKR 400 million for the civil works of CETP and CRP, and PKR 770 million for the construction of 21 MW grid station, six months running cost of CETP, and the construction of landfill/waste to energy plant.

Similarly, various provincial and district level agencies have shown strong support to the project. In particular, the DDMA has provided technical support to the project and also included the STZ in its District Disaster Management Plan (DDMP). While the EPD has established the Punjab Environmental Tribunal which has fined 235 tanneries at random as an incentive to get them to move to the STZ. In September 2020, under the Environmental Protection Order (EPO), the provincial authority also delegated prosecution authority to the district. From the start of the CETP, the tanneries will be given a two to three year period to move to the STZ and a one year grace period before the imposition of fines and other punitive measures. Among additional support provided includes the issuance of just one NOC to clear the project which would have traditionally needed multiple NOCs for the various components and the reduction of government fees.

As the GEF Implementing Agency, UNIDO has been providing technical assistance and advisory services on numerous aspects of the project throughout its duration. In addition to vetting the technical aspects of the bids and proposals, UNIDO has also hired experts and consultants to provide training and capacity building activities to stakeholders such as BAT/BEP for cleaner production. UNIDO through its e-learning platform has also provided stakeholders with the opportunity to learn through a combination of self-paced courses delivered online and blended training courses. Based on its commitment to the success of the STZ, UNIDO has also supported

STAGL in related activities that are not part of the project document, such as the technical review of the CRP.

In general, UNIDO has been found to be very supportive especially through the provision of timely decision-making, smooth fund transfers, sharing of training materials, and provision of international technical expertise. However, UNIDO's handling of the procurement of the electric and mechanical components of the CETP has been a major source of delay in the project implementation. This includes the lack of foresight to predict the higher than budgeted market prices of the electric and mechanical works and the lengthy bid review procedure to arrive at this conclusion.

STAGL as the lead NEP has taken a very proactive stance in mobilizing and availing the resources of its project partners. STAGL has also been successful in getting its members to raise the necessary funding of nearly PKR 150 million for the construction of the third drain of the conveyance system which now separates the storm water, pre-tanning effluent from beam house, and the post-tanning and finishing effluents, an activity that was recommended by UNIDO but not included in the original STZ design. Crucially, STAGL has taken on an additional responsibility of tendering for the various electromechanical components of the CETP locally when the procurement process of those parts internationally fell through. UNIDO continues to support STAGL by providing the technical review of bid evaluations in ensuring the harmonization of the electromechanical and civil works of the CETP and to complete the project within its new stipulated time frame.

In conclusion, the MTR team determined that the performance of multiple project partners has been a result of active collaboration efforts by STAGL as the EA. However, UNIDO's lack of foresight as the key technical support partner has led to a delay of at least three years in the operationalization of the STZ. Consequently, the performance of partners was found to be ***Moderately Satisfactory.***

4.11 ENVIRONMENTAL AND SOCIAL SAFEGUARDS

The project's raison d'être was to overcome the gaps uncovered in the CSA study in terms of managing the effects of predicted changes in extreme weather events and protecting the local communities from its ill effects that the STZ project lacked. To that end, project output 1.1 aims to mainstream the CCA and gender equality measures into the Punjab and Sialkot district urban development plans. Five measures recommended by the CSA study have been incorporated into the urban development planning at district level, including: Rehabilitation of Dugri Drain;

Remodeling of STZ Drains; Identification of beneficial and most suitable vegetation/tree species and providing plants to STZ; Analysis of the requirements and construction of bunds/dykes and review of flood warning system; and Examination of existing disaster management plan and inclusion of STZ as vital installation.

Additional flood protection measures incorporated in the STZ infrastructure include: a) Widening and de-silting of the Dugri Drain; b) Embankment of STZ project site to protect it from flash flood; c) Elevated road levels within STZ project boundary to create barrier for flash floods to enter in the zone; and d) Addition in construction by-laws that the finished floor level of tannery/factory must be one feet above the road level. STAGL has also requested WWF Pakistan to assist them in GIS mapping of the Dugri drain to document the current situation of the Dugri drain and its surroundings and to track the future impacts on it after the operationalization of the STZ. Finally, a comprehensive Flood Risk Management Plan for the STZ is also under development, but the recruitment of consultant for this activity has been affected by COVID-19 delays.

Further, findings of the CSA study have been disseminated to a broader audience through eight awareness sessions organized by STAGL with local private and public stakeholders. As a result of these efforts, the STZ has been identified as a vital installation and included in the District Disaster Management Plan of 2019. Authorities have also declared a 1 kilometer radius around the STZ as a buffer zone to stop residential activities around the STZ. As part of its implementation of CCA measures, the project has planted 10,000 trees within the STZ to reduce the effects of climate change and pollution effects. However, it is to be noted that the project is well behind its logframe target of planting 50,000 trees.

In addition, through training and awareness raising on Cleaner Production methods in tanneries, the project has introduced additional resilient concepts, including: a) Water conservation through water metering; b) Float recycling; c) Low use of salt by using cold storage of raw skins; d) Chemical management and chrome recovery; and Energy conservation through solar electricity and heating.

Moreover, with advice from WWF and Hagler Bailly Pakistan, STAGL plans to establish a wetlands for further improvement in quality of treated effluent. This initiative will entail planting local plant species such as Typha Latifolia, Water Hycinth, and water lettuce. However, the location of the CETP is in the vicinity of Sialkot International Airport (SKT) with runway edge as close as 3.5 km from the CETP. The large volume of water at plant may attract birds which are common in the area. Therefore, any tertiary treatment for further treatment of waste water using natural treatment systems like wetlands should be avoided.

In summary, with a few exceptions, the project has mainstreamed sound environmental safeguards in its activities. Accordingly, the environmental and social safeguards incorporated by the project are found to be ***Moderately Satisfactory.***

4.12 REMAINING BARRIERS TO ACHIEVING THE PROJECT EXPECTED RESULTS

The MTR team assessed the potential barriers for the project to achieving its expected results and determined the possibility of inadequate financing for the procurement of the electro-mechanical components of the CETP to be a major risk. While the average market price of CETP equipment is reportedly USD 3 million, the project had budgeted only USD 2.2 Million for this activity. Accordingly, the CETP equipment had to be retendered and with the expected price of USD 3 million. STAGL has already started making preparations for paying the difference through alternative sources including private and public co-financing. However, the extent of the risk will depend on how quickly and effectively STAGL will be able to arrange alternative funding sources to cover the remaining difference between the budget and the market price. In the event that further delay is experienced, it has the potential to also both postpone the civil works as well as push up infrastructure costs, as has already occurred.

Additionally, after the operationalization, it is anticipated that the ready availability of local technical expertise will be limited. To remedy this, the project plans to train technicians to oversee the operations and maintenance of the CETP. However, there is no documented plan or strategy on how this training is to be achieved. While such training might feel farfetched at present as the CETP is still under procurement, the MTR team recommends that due to the lack of fully operational CETPs in the country and the limited technical human resource to fall back on, the said must be devised and implemented soon. Further, it is recommended that the technicians' training should include: 1) an understanding of the local tannery sector; 2) national exposure visit to the CETP in Karachi (despite its limited operations); and 3) international placement of four to six months with a CETP in Turkey, Italy, or Thailand, etc.

Furthermore, the advent of the COVID-19 pandemic has taken a financial toll on the tannery industry, especially due to its export orientation. As a result, there is an increased risk that some of the tanneries may not be in a financially viable position to begin construction of their units at the STZ in preparation of moving there. Therefore, as the project is delayed, it will be crucial to keep the tanneries and leather business owners engaged and motivated to move in tandem with the expected operationalization of the CETP. Depending upon the significance of the delay and

reluctance to move, it is also recommended that some sort of fund be allocated for the financial support of the tanneries, on a needs basis, for six months operational capability.

4.13 RISK ASSESSMENT

The MTR team conducted a risk assessment rating each of the standardized MTR criteria along with a brief justification and remedial or mitigation measure as outlined in the risk matrix below.

TABLE 05: RISK IDENTIFICATION AND ASSESSMENT

Categories	Criteria	At Risk (Risk Rating 1 – 3)	Not at Risk (Risk Rating 4 – 6)	Description
B. Project Performance and Progress towards Results	1. Relevance		6	The project faces no risk to its relevance as of MTR, as the project was found to be ***highly relevant*** to the development context of the tannery industry in Sialkot and to the priorities of the federal and provincial governments, the UN and GEF.
	2. Effectiveness and Progress towards Results	3		Overall, the project's effectiveness and progress towards results was found to be ***moderately unsatisfactory***. An outcome by outcome description of the risks follow: **Outcome 1**: Regarding the mainstreaming of gender equality into the urban and rural development planning, the project suffers from lack of a Gender Mainstreaming Strategy guiding its activities. **Outcome 2**: The MTR Team determined that upon project closure, there is a high risk of discontinuation of capacity-building activities due to lack of organizational setup and financial resources. It is therefore recommended that the project develops a sustainable exit strategy for this component. This could potentially include using STAGL/STZ funds for continuation of capacity building or incorporating the strengthening of the existing leather sector institutes in the district through the upcoming World Bank's Punjab Green Development Program (PGDP). To ensure participation from companies across the industry, it is recommended that attendance or adoption of capacity-building activities be linked to some sort of incentive, such as industry awards, subsidized participation in a trade fair, etc. It will also be important to deliver trainings on the tannery premises to ensure broad participation. **Outcome 3:** The delay in CETP procurement has critical financial and planning implications for several other project activities in addition to being the cause of a three year delay in the completion of the project. Of these, the most important ones are the cost escalation of 18.75% (i.e. PKR 380 million as compared to the original PKR 320 million) associated with civil works and the delay in move of tanneries to the STZ. Some interviewed tanneries have also held back expansion in their current location due to the anticipated move to the STZ. Additionally, in contrast to international best practices which stipulate the construction of civil and electro-mechanical components of CETP to be sub-contracted to the same entity as a single project, the project has divided the responsibility of these two functions between separate contractors. This can potentially pose challenges with regard to compatibility of the two components. It is therefore recommended that STAGL remains vigilant of the delivery of this activity and seek the services of a third party expert/firm to oversee the operation. Also, considering the lack of technical expertise in the country, it is recommended that in addition to the local firm that has been selected for construction supervision process, an international consultant firm is chosen to review and guide the process. It is foreseen that required electro-mechanical equipment will be procured from a foreign country. Thus, a comprehensive plan for spare parts availability and operation & maintenance must be put in place.
	3. Efficiency	3		Efficiency was found to be ***Moderately Unsatisfactory***. The procurement of CETP, which is the largest component of the budget accounting for 66.67% of the total GEF fund, has run into challenges due to budgetary constraints and the bid had

				to be launched again. If the CETP is further delayed than the anticipated operationalization date of 2022-2023, there is a risk that the larger companies might lose interest in the STZ and expand their operations in the current facility. Moreover, any delays in CETP installation are translating into environmental degradation of the Sialkot city. There is also a potential danger that tanners who have acquired plots in the STZ will start operations in the Zone without following proper CCA practices and therefore cause irreversible damage to the environment. It is therefore recommended that key stakeholders, including STAGL, UNIDO, and GOP make a concerted effort to ensure that the CETP is established on time.
C. Project Implementation Management	1. Project Management		5	MTR team found the project staffing to be sufficient and the PMU to be responsive to the project needs. In particular, the placement of PMU within STAGL has ensured project delivery in a consultative manner with the tannery industry as the key project beneficiary and stakeholder. Accordingly, Project Management is ***Satisfactory.***
	2. Result-based Work Planning, Monitoring and Evaluation Systems, and Reporting		4	The MTR found the project's Result-based Work Planing, Monitoring and Evaluation Systems, and Reporting to be ***Moderately Satisfactory.*** It is recommended that the Logical Framework is reviewed to rectify the gaps identified by the MTR. These include the inclusion of SMART indicators and resolving any duplications in outputs. Furthermore, with the exception of Gender Mainstreaming, it is advisable that outputs related to community engagement/awareness be removed from the project design and incorporated into a subsequent/parallel STAGL project, e.g. PGDP. This will ensure that the project's limited human and financial resources are focused on the delivery of other major outputs, such as CETP establishment.
	3. Financial Management and co-finance	3		While high levels of co-financing have been realized and the GEF project expenditure also stands at 99.1%, the MTR team found the Financial Management to be ***Moderately Unsatisfactory*** due to the sub-optimal financial planning for CETP procurement. Financial assumptions made at the time of project design must be reviewed periodically to ensure that they are reflective of the ongoing reality, and additional financing should be arranged well in time, if deemed necessary. Due to the delay, the CETP's civil works component faced delay and, as a result, an 18.75 percent cost escalation. It will be crucial to ensure smooth and timely operationalization of the CETP so that further cost escalations do not occur.
	4. Stakeholder Engagement and Communication		5	The project has successfully engaged a number of public and private sector stakeholders and is rated ***Satisfactory***. However, an active/ongoing involvement of the UNIDO-GEF project 160069 being currently implemented in Karachi is not evident. It is therefore recommended that the two projects develop a regular coordination mechanism to exchange observations and lessons learned.
D.	Scale-up, Sustainability and Resilience	3		The MTR team determined that the sustainability of key project interventions after project end is ***Moderately Unsatisfactory*** at this point. The operationalization of the CETP, a major project component, is still to be realized and has already faced financial challenges. In the short to medium term it will be important to keep an eye on the productivity of the local leather industry due to a decline in international orders owing to COVID-19, as this can potentially affect the financial capacity of companies to move to the STZ. Furthermore, since the CETP is to be operated through usage charges, it will be important for STAGL to arrange some portion of the O&M funds from alternative resources, at least until the requisite number of companies move to STAGL to bear full operation costs.

E.	Gender Mainstreaming		5	With the internship program, STAGL has identified a niche for gender mainstreaming. This program is not only contributing to the development of a local cadre of professional women with knowledge of CCA and resilience in the tannery sector, but will also likely contribute to acceptance of women professionals by the industry in the medium to long term. Hence, the project's efforts for mainstreaming Gender are ***Satisfactory.*** Conversely, the project has set aside work with women workers/laborers for the time being. However, delaying action on mainstreaming of women workers until the STZ's operationalization is not advisable, since women form about 25 percent of the estimated 400 households in the vicinity of the STZ are involved in the local industry in some capacity.
F.	Environmental and Social Safeguards (ESS)		4	With a few exceptions, the project has mainstreamed sound environmental safeguards in its activities. Accordingly, the environmental and social safeguards incorporated by the project are found to be ***Moderately Satisfactory.*** As part of its implementation of CCA measures, the project has planted 10,000 trees within the STZ to reduce the effects of climate change and pollution effects. However, it is well behind its logframe target of planting 50,000 trees. Moreover, with advice from WWF and Hagler Bailly Pakistan, STAGL plans to establish a wetlands for further improvement in quality of treated effluent. However, the location of the CETP is in the vicinity of Sialkot International Airport (SKT) with runway edge as close as 3.5 km from the CETP. The large volume of water at plant may attract birds common in the area. Therefore, any tertiary treatment for further treatment of waste water using wetlands should be avoided.
G.	Performance of Partners		4	STAGL as the lead NEP has taken a very proactive stance in mobilizing and availing the resources of its project partners. STAGL has been successful in internally fundraising nearly PKR 150 million for the construction of the third drain of the conveyance system, an activity that was recommended by UNIDO but not included in the original STZ design. Crucially, STAGL has been tendering for the various electromechanical components of the CETP locally. UNIDO continues to support STAGL by providing the technical review of bid evaluations to ensure the harmonization of the electromechanical and civil works of the CETP and to complete the project within its new stipulated time frame. However, the project's lack of foresight as the key technical support partner has led to a delay of at least three years in the operationalization of the STZ.
H.	Remaining Barriers to Achieving the Project Expected Results			
	Overall Project Risk Rating: **High Risk**			Overall Project Risk Rating at MTR – based on number of identified project risks 0 -1 L 2 - 3 M >3 H

5. LESSONS LEARNED AND RECOMMENDATIONS

5.1 LESSONS LEARNED

Major lessons learned thus far from implementation of the project have been in the areas of partnership and finance, as follows:

5.1.1 PARTNERSHIP

The project has demonstrated that implementation in partnership with a representative trade body is an ideal way to align project activities with stakeholder priorities and garner further support for the project's objectives. Moreover, such a partnership can be further effective if local and international technical expertise are combined to achieve the desired results. This implementation approach is not only cost effective but also ensures leveraging local resources while at the same time building capacity.

5.1.2 FINANCIAL PLANNING

As demonstrated by the challenges faced with CETP procurement, sound financial planning is key to project success. Therefore, it is important that costing assumptions made at the time of design for pivotal project components are revalidated continuously and alternative financing is arranged in time, in case the initial estimates were below the market price.

5.2 RECOMMENDATIONS

MTR recommendations are structured by addresses to: i) Executing Agency – STAGL; and ii) Implementing Agency – UNIDO; and iii) Donor Agency - GEF.

5.2.1 RECOMMENDATIONS FOR STAGL

a. Timeliness of Establishing the CETP: A number of tanneries in Sialkot are eager to move to the STZ as they anticipated meeting market compliance requirements due to the CCA incorporated into the STZ infrastructure. For this reason they have put on hold any expansion of their current

production systems. However, if the CETP is further delayed that the anticipated operationalization date of 2022-2023, there is a risk that the larger companies might lose interest in the STZ and expand their operations in the current facility. Moreover, any delays in CETP installation are translating into environmental degradation of the Sialkot city. In addition, there is also a potential danger that tanners who have acquired plots in the STZ will start operations in the Zone without following proper CCA practices and therefore cause irreversible damage to the environment. It is therefore recommended that key stakeholders, including STAGL, UNIDO, and GOP make a concerted effort to ensure that the CETP is established on time.

b. Supervision of CETP Establishment: The MTR team determined that in contrast to international best practices which stipulate the construction of civil and electro-mechanical components of CETP to be sub-contracted to the same entity as a single project, the project has divided the responsibility of these two functions between separate contractors. This can potentially pose challenges with regard to compatibility of the two components. It is therefore recommended that STAGL remains vigilant of the delivery of this activity and seek the services of a third party expert/firm to oversee the operation.

c. Operations and Maintenance (O&M) of CETP: It is foreseen that required electro-mechanical equipment will be procured from a foreign country. Thus, a comprehensive plan for spare parts availability and operation & maintenance must be put in place.

The project plans to train technicians to oversee the operations and maintenance of the CETP. However, there is no documented plan or strategy on how this training is to be achieved. While such training might feel farfetched at present as the CETP is still under procurement, the MTR team recommends that due to the lack of fully operational CETPs in the country and the limited technical human resource to fall back on, the said must be devised and implemented soon. Further, it is recommended that the technicians' training should include: 1) an understanding of the local tannery sector; 2) national exposure visit to the CETP in Karachi (despite its limited operations); and 3) international placement of four to six months with a CETP in Turkey or Italy, etc.

d. Wetlands: The location of CETP is in the vicinity of Sialkot International Airport (SKT) with runway edge as close as 3.5 kms from CETP. The proposed tertiary treatment of waste water using wetlands should be avoided at all costs as this risks attracting birds, which can in turn disrupt SKT's flight operations.

e. Waste to Energy Plant: STAGL has started reviewing different technologies for setting up a waste to energy plant in the future, and the close circuit pyrolysis option has been shortlisted. However, the company proposing this option has a dismal record of delivering on its promises to

other similar projects of the Government of Punjab. It is therefore recommended that STAGL practices vigilance if it decides to proceed with this option.

f. Engagement with Women in the Community: MTR interviews with community members in villages surroundings the STZ revealed that women from nearly 25% of the households in the area are engaged in some kind of industry in the city. However, at present, women's involvement in the leather sector is mostly restricted to garment manufacturing with almost none working in the tanneries. Having said that, some large tanneries engage women in low intensity work such as grading and packing, etc. Since the project is working as a trendsetter, it is therefore important that under its Gender Mainstreaming activities, the project starts promoting women's broader engagement in the industry immediately in order to establish a ready foundation for Gender Mainstreaming upon the operationalization of the STZ. It is therefore recommended that, at the very least, the project undertakes a detailed Gender Assessment and design a Gender Strategy for the STZ, with incorporation of measures similar to the women's internship placement program.

5.2.2 RECOMMENDATIONS FOR UNIDO

a. Supervision of CETP Establishment: Considering the lack of technical expertise in the country, it is recommended that in addition to the local firm that has been selected for construction supervision process, an international consultant firm is chosen to review and guide the process. In this regard, UNIDO, leveraging its extensive network of technical experts, can support STAGL by recommending an international consultant firm for this process.

b. Assessment of Environmental Impacts of the CETP: STAGL also conducted an EIA of the CETP in 2019, which has been approved. However, the MTR team learned that the EIA team did not include any engineer. That along with the vague standards enforced locally necessitate that an international expert on behalf of UNIDO/GEF assess the macro-level impacts on the environment of the proposed CETP process and its siting.

c. Waste Assessment: Furthermore, it is recommended that a detailed Waste Amount and Characterization Study (WACS) is conducted before finalizing available treatment options. This aspect of the project can be further developed based on the lessons learned from the UNIDO-GEF project being implemented on Solid Waste Management in the Tannery Sector in Karachi (UNIDO ID: 160069).

In addition, the project may wish to consider setting up a dedicated cell against the payment of a tipping fee at the Land Fill currently being planned for domestic waste of Sialkot city.

d. Stakeholder Engagement: The project has successfully engaged a number of public and private sector stakeholders. However, an active/ongoing involvement of the UNIDO-GEF project in Karachi (UNIDO ID: 160069) being currently implemented is not evident. A visit to both projects by the MTR team revealed that, although the project is being led by the same Project Manager at UNIDO, coordination between the respective Executive Agencies, i.e. Pakistan Tannery Association – South Zone (PTA- SZ) and STAGL is lacking in an official and formal capacity. It is therefore recommended that the two projects develop a regular coordination mechanism to exchange observations and lessons learned. In particular, both organizations are receiving funds from same or similar sources and also have some commonalities in terms of infrastructure needs, including CETP establishment/upgradation and development of solid waste management systems.

e. Incentives for Participation in Capacity-Building Activities: Since 80 percent of the tanneries in Sialkot are MSMEs, generally comprising of forty staff or less, it is difficult for the businesses to spare their productive workforce or invest time in capacity building activities. To ensure participation from companies across the industry, it is recommended that attendance or adoption of such activities is linked to some sort of incentive, such as industry awards, subsidized participation in a trade fair, etc. Furthermore, going forward, it will be important to deliver trainings on the tannery premises to ensure broad participation.

f. Capacity Building Framework: In the absence of a Capacity Building Strategy or Framework as well as the lack of indicators for this activity pose challenges to assess the effectiveness of this activity. It is therefore recommended that for the remaining duration of the project, such a strategy or framework is developed and any future capacity building activities are undertaken in accordance with the goals, objectives, workplan, and targets outlined in this document.

g. Exit Strategy: Upon project closure, there is a high risk of discontinuation of capacity building and awareness-raising activities due to lack of organizational setup and financial resources. It is therefore recommended that UNIDO, in collaboration with STAGL, develops a sustainable exit strategy for this component. This could potentially include using STAGL/STZ funds for continuation of capacity building or incorporating the strengthening of the existing leather sector institutes in the district through the upcoming World Bank's Punjab Green Development Program (PGDP).

h. Engagement of Women Staff – While the project has actively supported women graduates through the internship program, there is a complete lack of women staff at the PMU. It is

therefore recommended that at least some gender balance is sought within the PMU senior/program staffing.

i. Logical Framework – The project's logical framework forms the basis of monitoring progress. It is therefore recommended that the Logical Framework is reviewed to rectify the gaps identified by the MTR. These include the inclusion of SMART indicators and resolving any duplications in outputs. Furthermore, with the exception of Gender Mainstreaming, as the project's focus has mostly been on supply side institutional barriers, it is advisable that outputs related to community engagement/awareness is removed from the project design and incorporated into a subsequent/parallel STAGL project, e.g. PGDP. This will ensure that the project's human and financial resource, which are limited as it is, are focused on the delivery of other major outputs, such as CETP establishment.

j. Monitoring Framework – It is also recommended that in accordance with the revised logical framework, a monitoring framework is developed comprising of monitoring matrix, risk assessment and management matrix, outlining who, what, when, where and how data is collected and analyzed. Since the project has already carried out a large proportion of the activities and exhausted the majority of funds, it is advisable that instead of complex documentation, a basic framework is prepared to focus on the remaining activities of the project. Furthermore, the project must also undertake an impact assessment of capacity building, gender, and water conservation activities to determine the immediate-to-long term impact of these interventions in order to use these outcomes as a foundation for STAGL's future endeavors in this area.

5.2.3 RECOMMENDATIONS FOR GEF AND UNIDO

a. Development of a Monitoring Framework: It is essential that during the Inception Phase, a project develops a monitoring framework that provides details of how progress is to be tracked, when, and by whom. In addition, the framework should include the development of guidelines such as capacity building strategy and gender mainstreaming strategy, etc.

b. Review of Project Logical Framework: The project's M&E framework must make a stipulation for a review of the logical framework at the end of the first year of implementation. This way, the logframe developed at the time of design can benefit from actual experience and revised to reflect realistic activities and targets.

c. Review of Financial Assumptions: Similarly, financial assumptions made at the time of project design must be reviewed periodically to ensure that they are reflective of the ongoing reality, and additional financing should be arranged well in time, if deemed necessary.

ANNEXES

ANNEX 01:

LIST OF STAKEHOLDERS INTERVIEWED AND THEIR ROLES

LIST OF STAKEHOLDERS INTERVIEWED AND THEIR ROLES IN PROJECT

Identified Stakeholder	Role/Responsibility
IMPLEMENTATION/EXECUTION PARTNERS	
UNIDO	As the GEF Implementing Agency, UNIDO has led the process of project preparation and development with the participation of key stakeholders from the Government and Private Sector.
Ministry of Climate Change (MoCC)	As the National Executing Partner, the MoCC chairs a PSC. It provides the input regarding national climate change concerns and provides information about the practices of other GEF related initiatives. It assists with the mobilization of necessary resources, if and when needed. Based on the pilot STZ project, is responsible to adopt similar approaches at the national level.
STAGL	Lead NEP and co-financier of the proposed SCCF project. STAGL is an important partner and stakeholder for all components of the project including the technology transfer component of the cleaner and more efficient technologies and the construction and operationalization of the waste water treatment plant and the STZ.
GOVERNMENT	
Environment Protection Department (EPD), Provincial Government, Punjab	EPD is a member of the PSC. EPD provides guidance and comments during approval process of STZ and environmental facilities needed for STZ during the project preparation and facilitates the execution of the project.
Federal Ministry of Commerce (MoC) - TDAP	MoC is involved in all steps of project inception and implementation, as the leather sector is an important export oriented industry. MoC is an important funding partner to the STZ establishment and contributes in planning for this SCCF project document from the Export Development Fund for the provision of funding along with relaying any observations to the Lead NEP on their monitoring of funds usage.
Local Government Authorities – PDMA	**Provincial/District Disaster Management Authorities** have been involved in various capacities for the proposition and adoption of the flood management plan for the STZ and the piloting of the Dugri drain project. Administratively responsible for provincial policies and programs in the areas of disaster risk assessment and management including the provision of a flood disaster response.
INSTITUTIONAL/PRIVATE SECTOR PARTNERS	
Government Institute of Leather Technology, Gujranwala (GILT	GILT and LPDI, the two main institutions involved in leather, will participate in training and capacity building activities. LPDI and GILT instructors will be trained during a project and after the project will

	disseminate the knowledge and will incorporate up-to-date sustainable technologies in training activities. These training institutions are intended to provide on-going training and capacity building training following the project completion and as such, will take ownership of the training packages developed through this project. Beneficiaries are expected to pay a small fee to raise the necessary funds for the maintenance and updating of the training courses, ensure their sustainability and facilitate scale-up
Government Women University Sialkot	The project has engaged with women students of Government Women University Sialkot for their orientation on climate change adaptation by STZ project and their participation in climate change adaptation and mitigation campaigns. STAGL, in collaboration with GWUS commenced an internship program in the areas of solid waste management, occupational safety and health, and environmental management system.
TANNERY BUSINESSES (BENEFICIARIES)	
PTA/STZ Members and non-Members and Leather Industry Owners	This includes industry owners that are not necessarily members of the PTA/STZ, but that have an interest or stake in an aspect of the project intervention.
OTHERS	
Rescue 1122	Rescue 1122 have been beneficiaries of various training activities as part of project and have collaborated with STAGL on establishing a rescue center at the STZ, among other activities.
Local communities	For incorporating their concerns into inception and also during the project implementation meetings and workshops to discuss concerns will be organized. Farmers and communities depending on agriculture will be actively involved in the project, as one beneficiary group. Their suggestions and concerns will be incorporated in the implementation of STZ.
WWF	Provided consultation and support on GIS mapping of Dugri drain, on adoption of suitable and tertiary treatment technique by developing a wetlands at Dugri Drain.
Community Development Concern (CDC)	Community Development Concern (CDC) will be considered for activities related to gender issues as they are actively present in Sialkot district and implementing gender mainstreaming activities and projects.

ANNEX 02:
LIST OF DOCUMENTS REVIEWED

LIST OF DOCUMENTS REVIEWED

1. Assignment Terms of Reference 2020
2. UNIDO Evaluation Manual
3. Project Steering Committee Meeting Reports [2017, 2018 & 2020]
4. UNIDO Annual Project Implementation Reports [2017-2020]
5. Project Progress Report [2014]
6. Work Plans 2017-2020
7. Interim Progress Report
8. Project Summary Report [2017]
9. Project Progress Update Report UNIDO/GEF [2017]
10. Risks Endorsement Document
11. Updated Work Plan For Fiscal Year 2017 UNIDO/GEF

ANNEX 03:

DATA COLLECTION TOOLS

DATA COLLECTION TOOLS

QUESTIONNAIRE

KEY INFORMANT INTERVIEW (KII) SHEET

UNIDO PROJECT 150052 MID-TERM REVIEW

PROJECT MANAGEMENT UNIT

1. Name of the Respondent	
2. Designation	
3. Contact Details	
4. Date of KII	
5. Starting Time of KII	
6. Finishing Time of KII	

QUESTIONNAIRE

UNIDO PMU

Background

1. Which organization/department has the ownership of the PMU?
2. When was the PMU established?

Staffing

3. What is the staffing structure of the PMU?
4. Please provide the following information for all PMU staff since its establishment:

Staff Name	Title	Gender	Joining Date (Month/Year)	Departure Date (If Any)	Reason for Leaving (If Any)

5. Has this staff been sufficient for managing the project? If no, why not?
6. What measures are taken to bolster staffing capacity? E.g. hiring of short-term experts
7. Please provide a list of the short-term experts/consultants hired by the project, as follows:

Name of Consultant	Name of Assignment	Start Date	End Date

Design

8. Has UNIDO worked in the Leather Processing industry in Pakistan in the past? If yes, please provide details of this prior engagement.
9. Also, what other similar major donor/government projects have been undertaken in the leather industry over the past 5 to 10 years?
10. How do these prior projects (UNIDO/non-UNIDO) link to the current project?

11. What was the timeframe for design of the current project? E.g. time of project design, approval, etc.
12. What was the process of project design? E.g. industry consultations, baseline studies, meetings, etc.
13. Who were the key stakeholders involved in the design?
14. Were any of the key staff currently working on the project involved in the project design? E.g. NPD, Project Manager, Project Coordinator, etc. If yes, who and what was the role of these staff members?
15. Based on your experience of implementing this project, what have been the major positive elements of the project design? E.g. flexibility, partnership, and inclusion of particular activities that are easy to implement and/or highly welcomed by beneficiaries, SMART logframe, etc. Please elaborate.
16. And, what have been the major elements of design that are resulting in implementation problems? E.g. ambitious targets, ambiguity in activities, etc. Please explain.
17. Have any measures been taken to resolve some of these issues? If yes, please explain what measures have been taken and what are the outcomes of these?
18. Have there been any changes to project activities or logical framework since the project started? If yes, what are these changes, why, when, and how were these made? And, how have these now affected project delivery?

Timeliness

19. Has the project met all of its milestones according to the schedule in the project document?
20. If no, what have been the major delays in implementation? And, what have been the reasons for these delays?
21. How have these delays affected overall project implementation?

COVID -19 Implications

22. Have any project activities continued as usual despite the COVID-19 pandemic? If yes, please provide a list of activities
23. How has COVID-19 affected project performance and timeliness?
24. What are your recommendations for compensating for the delays caused by COVID-19 thus far? E.g. no-cost extension, revising performance targets, etc.

Finance

GEF Fund

25. Please provide a breakdown of the project's finances as follows:

	Project Year 1	Year 2	Year 3	Year 4
AWP GEF Allocation (USD)				
Actual Expenditure (USD)				

26. Also, please provide budget in the following format:

	GEF Allocation	Expenditure (as of 30 Sep 2020)
Outcome 1		
Outcome 2		
Outcome 3		
Outcome 4		

27. Has the project faced any problems with financing? E.g. late approvals, difficult reporting processes, unrealistic budgeting at design or AWP stage, etc.?
28. How have these issues affected the project's performance?
29. What measures have been taken thus far to resolve some of these issues?

Co-Financing

30. Who are the main contributors to co-finance? Please provide the information in the following format:

Name of Co-Financing Partner	Committed at Design (USD)	Actual Co-Financing (as of Sep 30, 2020)

31. How is the project's co-financing tracked?
32. What can be done to improve the tracking of project's co-financing?
33. What measures can be taken to enhance/increase the co-financing levels currently being provided?

Monitoring and Reporting

34. What are the major Monitoring and Reporting tools used by the PMU? E.g. logframe, AWPs, etc.
35. Have all the project monitoring reports been submitted on time? If no, what have been the challenges with development of the reports?
36. What is the process of data collection for monitoring?
37. In what format is the project monitoring data stored? E.g. MS Excel or Access Database
38. Has the project made any major changes in implementation based on the results of the monitoring activities? If yes, please provide examples
39. Does the PMU face any problems with regards to tracking KPIs outlined in the Project's Logical Framework? If yes, please explain which KPIs and what are the problems with measuring progress?

PSC

40. Who are the members of the PSC?
41. What is the role of the PSC in overall project management and monitoring?
42. Has the PSC met according to schedule? If no, why not?

43. What have been the major decisions taken by the PSC thus far?
44. What challenges does the PSC face with regard to delivering its mandate?
45. How can the role of the PSC be improved for better project performance?

UNIDO

46. What is the role of UNIDO in project management and monitoring?
47. How has UNIDO assisted the project in overcoming any implementation challenges? Please provide examples
48. How can the role of UNIDO be improved for better project performance? E.g. more proactive support to PMU, quicker decision making, etc.

Partnership and Coordination

49. Who are the major project partners and stakeholders? And what is the role played by each of these entities?
50. What are the major methods used for coordination of various stakeholders? E.g. face to face meetings, periodic workshops, etc.
51. What are the key challenges with stakeholder coordination? E.g. lack of responsiveness/interest, limited capacity, too many stakeholders, etc.
52. Does the placement of the PMU in a particular agency hinder the project's progress? If yes, how?
53. How can partner and stakeholder collaboration be improved for better project results?
54. Are any NGOs/farming communities a part of the project? If yes, what is their specific role?

Impact

55. In your opinion, which project activities have had the highest impact? Why?
56. Also, which project activities do you think have had the lowest impact? Why?
57. How can the potential impact of these activities be enhanced?

Sustainability

58. Which project outputs/outcomes are the most sustainable? Why? E.g. replicability by private sector or other development projects, change of government legislation, improved practices by industry, etc.

59. Which project partners/stakeholders are the key to the sustainability of outputs/outcomes? How?
60. Which project outputs or outcomes are least sustainable, in your opinion?
61. What are the potential (social, economic, political, and environmental, etc.) threats to the sustainability of these outputs?

Effectiveness

Outcome 1 – Climate Resilient Urban Development Through Improved Flood Adaptation Measures

Outcome 2 – Awareness Among Business Owners and Community on CCA Strategy

62. What was the process of selecting topics for trainings/awareness raising activities?
63. What was the selection process to choose attendees of trainings and workshops?
64. What challenges has the project faced in selecting attendees? And how were these challenges resolved?
65. Has the project been able to track the effect of the trainings and knowledge disseminated through these activities?

Outcome 3 – Pilot of safe, affordable, and advanced technology for water treatment and water conservation in the pilot STZ

66. What major activities have been undertaken thus far under each component?
67. Who are the major stakeholders and beneficiaries for each of the three outcome?
68. How many people have been reached through activities under each outcome?
69. What has been the outcome/impact of these activities?
70. What have been the challenges in implementing these activities?
71. What are the major outstanding activities outcome-wise?
72. What are the foreseen opportunities and challenges in their implementation?

Gender

73. What activities has the project undertaken to mainstream women's participation and address their concerns in project implementation and outputs? E.g. hiring and training of women, focusing on women-oriented tasks, etc.
74. What percentage of the workshop and training attendees have been women?

75. What impact has this had on women's participation and accruing benefits to them in the leather industry? E.g. increase in wages, workplace safety, jobs, etc.
76. What challenges has the project faced in engaging women? E.g. limited role of women in the tanning industry, lack of professionally qualified women, etc.
77. How can the engagement of women be further improved in the project's activities?

Knowledge Management and Dissemination

78. What mechanisms and tools does the project have in place to organize and store knowledge gathered and generated during the course of project implementation? E.g. knowledge management strategy, use of a website, etc.
79. What methods of dissemination is the project using to share this information with beneficiaries and various stakeholders, e.g. tannery companies, researchers, training institutions, policy and planning departments, etc.
80. How have knowledge management and dissemination activities undertaken by the project been effective? Please provide examples.
81. How can the knowledge management and dissemination activities of the project be improved?
82. How has the project ensured ongoing dissemination and sharing of this knowledge in the medium to long term?

Lessons Learnt

83. Based on your experience, what are the major lessons learned from the project design and implementation?

Recommendations

84. What are your overall recommendations for the improvement of project design and implementation going forward?

KEY INFORMANT INTERVIEW (KII) SHEET

UNIDO PROJECT 150052 MID-TERM REVIEW

PROJECT STEERING COMMITTEE

1. Name of the Respondent	
2. Designation	
3. Contact Details	
4. Date of KII	
5. Starting Time of KII	
6. Finishing Time of KII	

PROJECT STEERING COMMITTEE (PSC) Member

Background

1. What have been the major activities performed by the PSC?
2. Has the PSC made any attempts at developing synergies by linking the project to other similar initiatives? Please provide examples
3. What have been the major decisions undertaken by the PSC with respect to the project?

Effectiveness and Sustainability

4. In your opinion, what are the most high impact outcomes/outputs of the project? Why?
5. What are your recommendations on methods for improving the outreach of these benefits to the industrial sector in Pakistan, particularly the leather and tanning industry?

Lessons Learned and Recommendations

6. What are the major lessons learned from the project design and implementation experience?
7. In light of this, what recommendations do you have for the remaining duration of the project?
8. Also, what are your recommendations for the design of similar future projects?

KEY INFORMANT INTERVIEW (KII) SHEET

UNIDO PROJECT 150052 MID-TERM REVIEW

INSTITUTIONAL STAKEHOLDERS

1. Name of the Respondent	
2. Designation	
3. Contact Details	
4. Date of KII	
5. Starting Time of KII	
6. Finishing Time of KII	

Institutional Stakeholders (e.g. STAGL/Environment Committee STZ)

Background

1. What are the major activities carried out by your organization?
2. How many members/staff does your organization have?

Design

3. Was your organization involved in the project design?
4. Do you believe that the project design reflects the priorities of your organization? Please elaborate
5. If yes, what role did your organization play in project design?

Implementation

6. Since when has your organization been involved in project implementation?
7. What role has your organization played in project implementation?
8. What are some of the challenges and opportunities you have faced with regard to project implementation? E.g. stakeholder consensus, delayed decision making, budgetary constraints, etc.
9. Have your received any support from UNIDO/PMU to resolve these issues? If yes, please provide examples.

Stakeholder Collaboration

10. Have you collaborated with any other key project stakeholders in delivering the project? Please provide details.
11. What were the challenges faced by you with regard to collaboration with other stakeholders? How can these be resolved?
12. Also, did your organization collaborate with any stakeholders on any other development activities? E.g. WWF, IUCN, TDAP, etc? If yes, please provide details.
13. Has there been any cross-exchange between these other projects and the UNIDO project to optimize overall results? Please provide details.

Effectiveness and Sustainability

14. What project activities have been (or are potentially) particularly benefitting to your organization? How? Please provide details?
15. How has the project accrued benefit to the tanning leather industry in Pakistan?

16. Will your organization continue to undertake these activities even after the project end? If no, what are the potential reasons for discontinuation? E.g. lack of finance, technical expertise, etc.
17. Have the activities undertaken by the organization been replicated by other donor, government agency, or private company? If yes, please provide details. E.g. the name of company, type of activity, and degree of replication, etc.
18. In your opinion, what measures should be taken so that the knowledge/benefits provided by the project can be disseminated to workers/stakeholders across the industry?

Gender

19. What key activities are women involved in in the tanning industry in Sialkot?
20. What are the major issues faced by women workers?
21. Has the project undertaken any special measures to benefit these women workers? If yes, please provide details.
22. Do you believe that these measures have been effective? How?
23. What problems have women faced when participating in the project activities?
24. What other activities can be undertaken either through this or any other project to address the problems faced by women workers?

Lessons Learned and Recommendations

25. What are the key lessons learned from your involvement in project design and implementation?
26. What are your recommendations for improvement in project approach and activities for the remaining time?
27. What are your recommendations for design of similar future projects?

FOCUSED GROUP DISCUSSION (FGD) GUIDE SHEET

UNIDO PROJECT 150052 MID-TERM REVIEW

TRAINING BENEFICIARIES

1. Name of District	
2. Name of Tehsil	
3. Name of Union Council	
4. Name of Village	
5. Name of the Interviewer	
6. Date of FGD	
7. Starting Time of FGD	
8. Finishing Time of FGD	

Sr. No.	Name	CNIC	Contact	Signature/ Thumb Impression
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Training/Workshop Participants (FGD)

Background

1. What are the major activities undertaken by your organization?
2. How is the project relative to the objectives of your organization?

Participation

3. What training or workshop did you participate in?
4. What benefits were you able to derive from participating in this workshop? E.g. new knowledge, connections, consensus, etc.

Application

5. Have you incorporated the learnings from this workshop/training in your own work/organization?
6. If yes, what benefits have you seen or foresee from applying this knowledge?
7. What challenges have you faced in incorporating the knowledge in your work? E.g. finance, technology, policy support, etc.
8. Have you participated in a similar training or workshop in the past? If yes, how was the workshop/training provided by UNIDO better?

Recommendations

9. What are your recommendations for improving the training/workshops organized by the project? E.g. particular topics, participants, duration, refresher courses, etc.
10. In your opinion, what measures should be taken so that the knowledge provided by the project can be disseminated to workers/stakeholders across the industry?

KEY INFORMANT INTERVIEW (KII) SHEET

UNIDO PROJECT 150052 MID-TERM REVIEW

POLICY/SUPPORT ORGANIZATIONS

1. Name of the Respondent	
2. Designation	
3. Contact Details	
4. Date of KII	
5. Starting Time of KII	
6. Finishing Time of KII	

Policy/Support Organizations (e.g. MOCC/ WWF)

Background

1. Please provide the details of major ongoing and recent activities by your organization related to climate change adaptation/solid waste management in the industrial and leather processing sectors?

Organizational Involvement

2. How has your organization been involved in the design and implementation of this project?
3. What have been some of the challenges with regard to implementation?
4. What measures have been taken to resolve these issues?

Links with Other Projects

5. What is the unique contribution of the current UNIDO project?
6. How does this UNIDO project link/interface with some of the other relevant projects being carried out by your organization?

Recommendations

7. How can the outputs and contributions of this project be easily replicated and up-scaled in the leather sector as well as broader context of industry?
8. What are the key lessons learned from this project?
9. What are your recommendations for this project in order to improve the quality of outcomes?
10. What are your recommendations for the design of similar projects in the future?

FOCUSED GROUP DISCUSSION (FGD) GUIDE SHEET

UNIDO PROJECT 150052 MID-TERM REVIEW

TRAINING BENEFICIARIES

1. Name of District	
2. Name of Tehsil	
3. Name of Union Council	
4. Name of Village	
5. Name of the Interviewer	
6. Date of FGD	
7. Starting Time of FGD	
8. Finishing Time of FGD	

Sr. No.	Name	CNIC	Contact	Signature/ Thumb Impression
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Tannery Businesses (Beneficiaries) - FGD

Background

1. What are the major activities performed by your business?
2. What issues does your business face with regard to waste management and environment?
3. How do these issues affect your revenue?
4. How has the project help in overcoming some of these issues?
5. What problems have your business had while participating in the project, e.g. coordinating with the PMU
6. Have you faced any problems when incorporating the activities demonstrated by the project? E.g. financial, technical, etc.
7. How can these problems be overcome?
8. What are your recommendations for improvement in the project's activities?

ANNEX 04:
LIST AND SCHEDULE OF STAKEHOLDERS INTERVIEWED

LIST OF STAKEHOLDERS INTERVIEWED AND MEETING SCHEDULE

Date	Stakeholder Meetings	Time
	Meeting 01: PMU	10:15 am to 11:00 am
	Meeting 02: STAGL	11:00 am to 01:00 pm
	Departure for the STZ Site at 01:30 pm	
	Meeting 03: Local NGO (Community Development Concern)	02:15 pm
	Meeting 04: Local community beneficiaries at the Site	03:15 pm
29th September	**Meeting 01**: Local tannery businesses who are beneficiaries of project activities (2-3 units)	10:30 am to 11:30 am meeting at Leather One
		12:00 pm to 01:00 pm meeting at Leather Village
	Meeting 02: DDMA Sialkot	2:15 pm to 03:00 pm
	Meeting 03: Environmental Protection Department, Sialkot	03:30 pm to 04:30 pm
30th September	**Meeting 01**: Ministry of Commerce – TDAP – Director TDAP Sialkot	10:00 am to 11:00 am
	Meeting 02: Rescue 1122 -CO Sialkot	11:30 am to 12:30 pm
	Meeting 03: Students of Govt. Women University Sialkot's Environmental Department/internees	01:30 pm to 02:30 pm
	Meeting 04: WWF Pakistan – ILES Project Coordinator	02:45 pm to 03:30 pm

ANNEX 05:
TERMS OF REFERENCES

CYNOSURE

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Terms of Reference (TOR)

Mid-term reviews for

UNIDO projects MAINSTREAMING CLIMATE CHANGE ADAPTATION THROUGH WATER RESOURCE MANAGEMENT IN LEATHER INDUSTRIAL ZONE DEVELOPMENT

GEF ID: 5666
UNIDO ID: 150052

and

TRANSFORMING THE LEATHER PROCESSING INDUSTRIES TOWARDS LOW EMISSIONS AND CLIMATE RESILIENT DEVELOPMENT PATHS IN PAKISTAN

GEF ID: 9585
UNIDO ID: 160069

14 JULY 2020

Contents

I. Introduction to expected services - the mid-term review

Within this Request for Proposals, UNIDO is seeking a vendor to conduct mid-term reviews of two GEF projects being executed by UNIDO in Sialkot and Karachi. Scope, focus and expected services are below and further details are provided thereafter.

Scope
The mid-term reviews cover two the projects in Sialkot and Karachi. The mid-term reviews will look mainly into implementation and processes; and on the review criteria design, relevance, effectiveness, efficiency, management and gender; while assessing progress towards the potential impact and sustainability of the projects.

For 150052: the mid-term review concerns the first 42 months of the project, i.e. from March 2017 until September 2020. The project is scheduled to terminate in March 2023.

For 160069: the mid-term review concerns the first 21 months of the project, i.e. from January 2019 until September 2020. The project is scheduled to terminate in December 2021.

Focus
These mid-term reviews focus on the design relevance and effectiveness of the project so far. It will assess whether the project is already generating the desired changes based on outputs delivered. They will also assess whether the projects are likely to continue performing as planned and whether a change in strategy would lead to even better achievement of outcomes and thus stronger sustainability.

The mid-term reviews will also focus on management processes and structures to identify and mitigate problems in implementation, including acceptance of the projects amongst stakeholders, conflicts due to differing interests, sufficiency of qualified personnel, adequacy of communication and coordination amongst implementing partners and with target groups, and adequacy of project duration and funding.

Expected services
The following key tasks will be conducted together with a mid-term review consultant based in Vienna, Austria at UNIDO HQ. Responsibilities are outlined in section VIII.

Key tasks/Milestones	Concrete/ measurable outputs to be achieved	Expected duration
Review project documentation and relevant country background information (national policies and strategies, legislative and regulatory framework, UN strategies and general economic data); determine key data to collect in the field and adjust the key data collection instruments accordingly (if needed); **Distribute writing tasks** to assistant reviewer	• Table of review questions, depending on country specific context is adjusted • List of stakeholders to interview is drafted • Relevant background information is assessed • Tasks distributed	5 days per project (10 days total; ~18% of total duration)
Delivery of **draft inception report**	• Two Inception reports are drafted (projects 150052&160069)	
Remote briefings for UNIDO HQ (e.g. skype/video call) with the project managers, UNIDO Quality Monitoring Division, and other key stakeholders.	• Detailed review schedule with tentative mission agenda discussed (incl. list of stakeholders to interview and/or site visits); planning is adjusted as applicable	1 day per project (2 days total; ~3.5% of total duration)
Milestone 1& 2 Finalization of the inception reports containing work plan, key findings of desk review, methodology, review tools such as interview guidelines and questionnaires, sampling technique(s), etc.	• Inception reports project 150052; 160069 are finalised	2 days per project (4 days total; ~7% of total duration)
Coordinate the review mission agenda, ensuring and setting up the required interviews with project partners and government counterparts, and organize and lead data collection, in close cooperation with the Project Management Unit.	• Review mission appropriately coordinated	
Collect data via field mission or remote interviews[1] Testing of review tools, field visits, field research, interviews, observation, questionnaires, etc. as applicable. Debriefing: presentations of the preliminary findings and	• Interviews with relevant project stakeholders, beneficiaries, etc. for the collection of data and clarifications conducted • Reviews' initial findings, draft conclusions and recommendations are presented to stakeholders	4 days per project (8 days total; ~14% of total duration)

recommendations for relevant project stakeholders	in the country at the end of the mission	
Debriefings for UNIDO HQ: Presentation (e.g. skype/video call) of preliminary overall findings and recommendations to the stakeholders	• After field mission(s): Presentation slides, feedback from stakeholders obtained and discussed	1 day per project (2 days total; ~3.5% of total duration)
Milestone 3&4 Prepare draft mid-term review reports according to the TOR; Coordinate the inputs from the assistant review consultant and combine with her/his own inputs into the draft mid-term review report. Share the review reports with UNIDO HQ and national stakeholders for validation, feedback and comments.	• Two draft reports submitted (projects 150052; 160069)	10 days per project (20 days total; ~36% of total duration)
Milestone 5&6 **Revise** the draft project review reports based on comments from UNIDO Quality Monitoring Division and stakeholders and edit the language and form of the final version according to UNIDO standards.	• Final mid-term review reports submitted for projects 150052; 160069	5 days per project (10 days total; ~18% of total duration)
Total		56 days

II. Glossary of mid-term review related terms

Term	Definition
Results-Based Management (RBM)	A management strategy focusing on performance and achievement of outputs, outcomes and impacts.
Monitoring	A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.
Review	An assessment of the performance of an intervention, periodically or on an ad hoc basis. Note: Frequently "evaluation" is used for a more comprehensive and/or more in-depth assessment than "review". Reviews tend to emphasize operational aspects. Sometimes the terms "review" and "evaluation" are used as synonyms.
External evaluation/review	The evaluation/review of a development intervention conducted by entities and/or individuals outside the donor and implementing organizations.
Formative evaluation/review	Evaluation/review intended to improve performance, most often conducted during the implementation phase of projects or programs.
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies. Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Sustainability	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.
Institutional development impact	The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Such impacts can include intended and unintended effects of an action.
Logframe	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution, monitoring and evaluation of a development intervention.
Results	The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention.
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs.
Outputs	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.

Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor. Means by which a change will be measured. Example: Total wastewater in t/yr.
Target	Definite ends to be achieved. Specifies a particular value that an indicator should reach by a specific date in the future. Example: Reduce by 50% the amount of wastewater in t/yr, between 2015 and 2020.
Milestones	Interim targets; points in the lifetime of a project by which certain progress should have been made. They provide an early warning system and are the basis for monitoring the trajectory of change during the lifetime of the project.
Baseline	The situation prior to a development intervention against which progress can be assessed or comparisons made.
Assumptions	Hypotheses about factors or risks which could affect the progress or success of a development intervention. Necessary conditions for the achievement of results at different levels. These are conditions that must exist if the project is to succeed but which are outside the direct control of the project management. This is called the external logic of the project because these conditions lie outside the project's accountability and can be related to laws, political commitments, political situation, financing, etc.
Risk analysis	An analysis or an assessment of factors (called assumptions in the logframe) that affect or are likely to affect the successful achievement of an intervention's objectives. A detailed examination of the potential unwanted and negative consequences to human life, health, property, or the environment posed by development interventions; a systematic process to provide information regarding such undesirable consequences; the process of quantification of the probabilities and expected impacts for identified risks.
Theory of change	Theory of change or programme theory is similar to a logic model, but includes key assumptions behind the causal relationships and sometimes the major factors (internal and external to the intervention) likely to influence the outcomes.
Conclusions	Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.
Lessons learned	Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.
Recommendations	Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.
Gender mainstreaming	The process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality

For more related terms and definitions see also:

- UNIDO Quality Assurance Framework (QAF), DGB/2019/11
- IRPF Guide, AI/2020/02
- OECD-DAC Glossary of Key Terms in Evaluation and Results Based Management (2010)
- UNDG Results-based management handbook
- UNIDO e-learning course on: Results-based Management and the Logical Framework Approach

The above resources are also accessible for download on the intranet page of the Quality Monitoring Division

III. Project descriptions, backgrounds and contexts

Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development (GEF ID 5666/UNIDO ID 150052)

Background

Pakistan is situated in the arid and semi-arid regions of the world and remains severely impacted by the negative effects of climate change (CC). The drought and excessive floods (2010-2011) have raised the enormity of dealing with the issue.

Traditionally, Sialkot District is an industrial centre. However, agriculture will remain an important sector, especially in the rural areas as the majority of the population depends on it. Aside from food production, urban development and industry make Sialkot one of the most important industrial cities in the province of Punjab and in Pakistan as a whole. This holds especially true for export-oriented industries, such as leather, sports equipment and surgical instruments as income generating opportunities for communities.

The city is situated along the Indus basin and depends on the water resources coming from this river. This places Sialkot among the most vulnerable cities in Pakistan with regard to CC impacts, especially water resources and hydro-related CC effects. Floods in Punjab pose the risk, among others, of diarrhoea and gastroenteritis, while exposure to droughts pose risks of food insecurity and malnutrition, thereby, affecting health of communities. The rise in temperature may increase the risk of heat strokes and outbreaks of diseases like malaria and dengue.

While CC is expected to increase vulnerabilities in temperature, precipitation, water, agriculture, urbanisation, livelihoods and communities, the government is ill prepared to handle the situation and the lack of urban planning combined with the rapid industrialization and urbanization of Sialkot, has caused a major threat to its environment. Toxic industrial and non-industrial waste poses a real threat to resources (e.g. soil, groundwater, etc.), as does the lack of effluent treatment facilities. The lack of waste water treatment, especially during floods, may contaminate farm land and hamper successful harvests and farmers' income. In recent years, this problem had been addressed, but the majority of the people, especially the rural communities, are still unaware of the dangers and threats they are exposed to. Concerted efforts for the timely implementation of adaptation measures are needed in order to prepare and protect the already poor and vulnerable population from the worst impacts of CC.

Most industries discharge their polluted effluents directly into the storm drains without any pre-treatment. This includes wastes from leather tanning industries. As a result, the natural water bodies have turned into putrid and toxic gutters and are the reason for water borne diseases. Solid waste also finds its way into the natural water resources, which are used for irrigation. A chemical analysis reveals that there are traces of heavy metals such as chromium and nickel found in vegetables and fruits.

The leather sector is an important employment opportunity for the people and therefore the negative environmental effects are often neglected. Tanneries use and pollute large quantities of water; fertile soil is contaminated, and the toxic substances used in the leather production often cause skin diseases for the employees. The inefficient water use in the tanneries forces farmers

to minimize their irrigation efforts or to use the polluted water. None of the 250 tanneries scattered around Sialkot in 10 clusters have an appropriate waste water treatment facility

The sustainability of leather exports and foreign exchange revenues for Pakistan can already be seen through the decline in exports in recent years. The critical requirements for international trade and exporting leather goods relate to environmental and social compliance. Potential buyers anywhere in the world are forced to comply with their national laws and can and will only import goods from manufacturers who possess internationally accredited certifications.

Due to a missing policy and a lack of flood management measures, as well as, non- existing treatment facilities, agricultural land is contaminated, especially during flood events. Most likely this also affects ground water and irrigation schemes, again putting more stress onto rural farmers. Considering that, due to CC, more frequent and more severe flood events will occur, there is urgent need to introduce adaptation measures in order to build resilience against water stress and to reduce the vulnerability of the population in Sialkot. At present there is no controlled and monitored treatment of discharged effluents and tannery waste water. Those effluents are either collected in pounds around the factories or discharged into unlined drains or even into irrigation channels, polluting the crops. Solids & sludge accumulate in these drains causing blockages and localized flooding of adjacent agricultural land. This hampers appropriate development of the tanning industry in Sialkot and compliance with international buyer requirements.

Baseline project

One major step in addressing the problem of 250 (scattered) tanneries that do not have appropriate environmental facilities in place, is the construction of a concentrated tannery zone, i.e. the STZ in Sialkot and with it, the establishment of a CETP and common waste management system. This intervention is intended to contribute towards the greening of the leather production system in Pakistan to ultimately satisfy the prerequisites for the survival and growth of this export-oriented sector, which is vital for Pakistan's economy and for conserving the region's agricultural land.

The STZ establishment is a mega development project executed as a Public Private Partnership (PPP) and amounting to around 47 Million USD (costs are comprised of land, building of infrastructure, utilities, treatment facilities, and relocation of tanneries). The financing of the conveyance system, STZ infrastructure, civil works on the CETP and fees of various experts, etc. have been considered as co-financing for this project.

The private sector is being represented by a non-profit organization, called the Sialkot Tannery Association (Guarantee) Limited (STAGL). The STAGL was established for the purpose of laying out, establishing and maintaining the STZ in order to resolve the environmental problems and to meet the requirements of WTO/ISO 9000 for the industries engaged in leather tanning/manufacturing. STAGL has specifically been established for the baseline project and land has been purchased with financing from the Government of Punjab (75% of the cost of land has been covered by a soft loan from the government and 25% from the private sector). The main purpose of this baseline project is to move the scattered tannery industry from the heart of the city to a single cluster (zone) with improved industrial and business facilities and further, to make Sialkot city clean and unpolluted from harmful chemicals and waste that are used in the tannery

industry. The project, which has now reached an advanced stage, it to encourage a focused industrial growth in Sialkot

STAGL invited applications from the prospective investors and submitted one fourth of the cost of the acquisition of land for the project to the Government. The GoP provided three fourth of the cost as an interest free loan. The land (384 acres) has been acquired by the GoP and transformed according to STAGL's requirements. 50 of these Acres are allotted for foreign investors. The physical possession of the land and the planning process has already started.

The geographical location of the STZ is near the village Khumbranwala, approx. 13 km from the District Government Headquarter, Sialkot and about 5 km from Sialkot International Airport. The project area falls under the jurisdiction of the Union Council No. 32 of Tehsil Sialkot and Union Council No. 6 of Tehsil Sambrial. The geographical coordinates of the site are: 32032'57.41"N; 74024'54.23"E.

The key features of the STZ baseline project:

i) The modernization of processes, introduction of new equipment and productive layouts, RECP methods, improving the OSH of workers, environmental management systems (EMS), corporate social responsibility, water management and pre-treatment of effluent (discharged to the conveyance system)

ii) Comprehensive common services such as site maintenance, fire protection, security, testing and training, common facility centres, etc.

iii) Appropriate planning of land-use (industry sites, street network, traffic, various public facilities, buildings, green areas etc.)

iv) The Common Effluent Treatment Plant (CETP) with a capacity of 8 – 10,000 m3/day to process effluent produced during the Qurbani/peak period. A physico-chemical treatment unit will be an integral part of each planned tannery in the new tannery zone, as well as biological treatment in connection with the CETP. The expected size of the CETP for a tannery zone with a daily production of more than 200 tonnes of raw hides can reduce costs for the individual tanneries for effluent treatment, by approximately 80%, which will increase the competitiveness of tanneries

v) Spent chrome tanning liquors will be separated in tanneries and transported to common recovery units to eliminate the heavy metal from effluent discharges

vi) Sludge Disposal Yard (SDY)

vii) By-products manufacturing should be encouraged to minimize need for solid waste disposal.

Gaps Identified in the baseline project, contributing to poor climate change adaptation

As described in the project baseline scenario, Pakistan is considered a country, highly vulnerable to climate change, in particular, regarding the quality and availability/supply of its freshwater resources. The CSA study revealed a multitude of gaps prevalent across institutional capacity, STZ infrastructure, community awareness, urban development planning among others.

The relocation of dispersed tanneries from Sialkot to an appropriate tannery zone will have significant positive effects on the environment and will reduce the pollution load. However, while

planning of the STZ baseline project, the effects of CC were not taken into consideration. If this are not addressed, future negative implications for the industry and the population of Sialkot District are predicted.

As part of its programme on urban planning and upgrading local industries in some of the potential CC disaster regions of Pakistan, the GoP had requested UNIDO's assistance to integrate CCA strategies into the environmentally sound construction of a concentrated STZ. The aim of the SCCF project is to address local policy, capacity and technology barriers currently existing in the project's target area. The goal is to further demonstrate and implement a blueprint for a climate resilient Tannery Zone that can be replicated in other parts of the country in order to achieve holistic and sustainable results. The required interventions are aimed at addressing:

i) Policy barriers, to ensure mainstreaming of CCA strategies at local level planning in order to include new developments, and also to better plan for disaster risk preparedness;

ii) Capacity barriers, to create awareness among local authorities and communities to increase preparedness for the challenges that come along with CC;

iii) Technological barriers, by providing the best and most affordable and adaptive technological solutions in order to empower local communities to address the key risks of CC and to adapt in-house technological resources.

The overall objective of the additional project is to contribute to poverty reduction and sustainable development in Pakistan. The specific purpose is to support economic integration of Pakistan into the global and regional economy and to stimulate decent work and employment creation by increasing exports and enhancing the enabling climate for international trade.

The proposed additional project activities will support the baseline project by strengthening the climate adaptive capacities by incorporating adaptation measures into every step of the STZ establishment and management. This project is immensely important for the actors within the Sialkot leather industry (and Pakistan at large) and will be instrumental for the sustainable growth of this sector, the promotion of leather products exports, and for the creation of a synergy between the industrial and agricultural sector. Based on the detailed vulnerability analysis of the STZ, the proposed additional project activities are as follows:

i) Reducing climate vulnerability of critical industrial infrastructure and utilities, by enhancing the construction design and management, e.g. the CETP and Dugri drain

ii) Improving the production efficiencies of tanneries to limit the industrial zone's dependency and support the consumption of vulnerable raw materials, thereby preserving existing resources while maintaining the capacity to accelerate economic output decoupled from environmental pollution. Reducing the depletion of natural resources, environmental contamination and effects to human health are considered part of the broader coping strategy to building climate resilience, conserving ecosystem services and the natural resource base

iii) Promotion and deployment of water supply resiliency strategies, water harvesting, conservation and effluent treatment plant management and treatment technologies within the STZ project. As Sialkot is located along the Indus basin, this project is safeguarding the water resources of this water body through implementing measures for water conservation, water retention and industrial waste management. Ultimately,

the almost 215.8 million people supported by this basin will benefit from these measures.

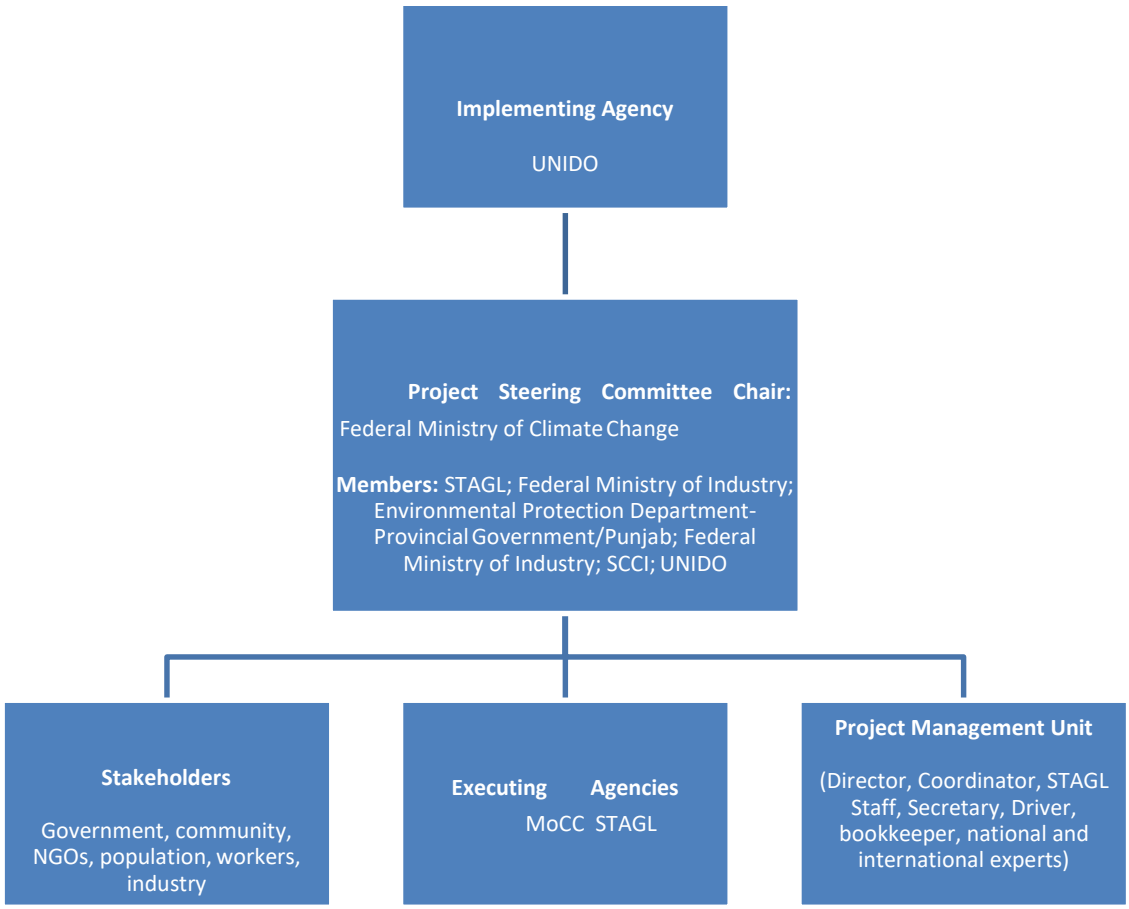
iv) Part of the project will involve the preparation of plans and recommendations for a green belt around new tannery zone (containing more than 50,000 trees), a transport system for workers, housing, etc. This will improve the monitoring efficiency and control of environmental hazards caused by the tanning industry in the region.

v) Capacity building and awareness raising-trainings for both urban planners, as well as, local communities focusing on better flood management and emergency response. Community-based trainings on adaptive technologies will include water conservation and water retention for those communities depending on agriculture, small-scale traditional tanneries, as well as, larger tanneries within the STZ. Stakeholder workshops will be aimed at identifying the risks for the vulnerable population in the Punjab/Sialkot District, induced by CC, in order to create awareness, build capacity within the STZ programme and identify and implement further measures that will reduce the negative effects of CC.

The programme activities are implemented through three core components:

#	Component	Expected result
1	Mainstreaming CCA and Gender Equality for Adaptation into Urban and Rural Development Planning	Climate resilient urban development in Punjab/Sialkot District and reduced vulnerability of rural, urban and other communities affected by CC (e.g. droughts, floods) through improved adaptation measures – water retention, flood management etc.
2	Climate Change Resilience Building of Vulnerable Communities and Leather Business Owners	Increased awareness among targeted community groups and leather business owners on CCA concepts/practices and dissemination of information and expansion of the CCA strategy and project benefits.
3	Sialkot District and Sialkot urban plan implementation, dissemination of information, demonstration of safe, affordable and advance technology for water treatment and water conservation in the pilot Sialkot Tannery Zone (STZ)	Increased resilience of the most vulnerable groups in rural and urban areas by introduction of advanced, safe, affordable and resource efficient technologies for water and waste water treatment within leather industries in the STZ, thereby preserving water availability for agricultural use.
4	Quality Control Monitoring and Evaluation	Project is quality controlled and monitored accordingly.

The below diagram represents the project structure.



The table below details how the stakeholders will participate in the implementation of the project.

Sr. No	Category	Stakeholder	Role
1	Implementation	UNIDO	Implementing Agency
2	National Executing Partner	MoCC	NEP: MoCC will chair a PSC. It will provide the input regarding national climate change concerns and will provide information about the practices of other GEF related initiatives. It will assist with the mobilization of necessary resources, if and when needed. Based on the pilot STZ project, is responsible to adopt similar approaches at the national level
3		STAGL	Lead NEP and co-financier of the proposed SCCF project. STAGL is an important partner and stakeholder for the technology transfer component of the cleaner and more efficient technologies and waste water treatment plant. They will provide relevant input for the project inception and preparation with regard to their components.

4	National Government	Environment Protection Department (EPD), Provincial Government, Punjab	EPD will be member of the PSC. EPD will provide guidance and comments during approval process of STZ and environmental facilities needed for STZ during the project preparation and will facilitate the execution of the project.
5		Irrigation Department, Provincial Government, Punjab	The Irrigation Department will provide inputs on flood management of the water drains and irrigation channels affected by industrial waste
6		Federal Ministry of Industries (MoI)	Input and involvement will be essential for learning from the experience of other industries nationally and also to identify the scope for replication and up-scaling of the project within the leather sector and also in different sectors around Pakistan. MoI will be represented on the PSC.
7		Federal Ministry of Commerce (MoC)	MoC will be actively involved in all steps of project inception and implementation, as the leather sector is an important export-oriented industry. MoC may be an important funding partner to the STZ establishment and can contribute in planning for this SCCF project document from the Export Development Fund.
8	Local Government	District Authorities	Administratively responsible for provincial policies and programmes in the areas of environmental planning and enforcement of standards, physical planning and the provision of water, sanitation services, waste management. As such it has administrative control of EPA. The District Authorities will closely liaise with MoCC GoP to execute the project from GoP.
9	Private Sector	Sialkot Chamber of Commerce and Industry (SCCI)	It is the premier trade body representing the export-oriented industry of Sialkot and the lead institution of the STZ project. The SCCI will provide support to the project through ensuring the participation and input from leather industry owners during the project inception and implementation process
10		Industry Owners	They will be involved in the STZ planning and will provide on their experiences, requirements and concerns, to be addressed, timely at the planning stage. During implementation, industry will follow recommendations related to environmental issues (efficient use of resources-water, energy, chemicals etc.), appropriate working conditions, etc.

11		Technology providers	Technology providers will be engaged to assist with the technology transfer of Best Available Technologies and Best Environmental Practice (BAT/BEP), relevant to the project.
12		Agriculture dependent communities, including farmers	For incorporating their concerns into inception and also during the project implementation meetings and workshops to discuss concerns will be organized. Farmers and communities depending on agriculture will be actively involved in the project, as one beneficiary group. Their suggestions and concerns will be incorporated in the implementation of STZ.
13	NGO/Civil Society	NGOs and non-profit organizations	NGOs and various non-profit organizations will be involved in the project preparation (e.g. review Environmental Impact Assessments and other plans), and to represent various groups e.g. women, youth farmers, various communities on the PSC, etc. Active participation is expected from various NGOs on project replication. Various tools and studies prepared by the project will be disseminated to interested organizations for further use. UNIDO is actively working with various local and international NGOs. Similarly, there will be cooperation with other organizations such as IULTCS, LWG, ICT, etc., which also have very useful tools for such projects. Cooperation is envisaged for organizing special expert group meetings and various consultations processes. Community Development Concern (CDC) will be considered for activities related to gender issues as they are actively present in Sialkot district and implementing gender mainstreaming activities and projects Additional organizations, group and partners e.g. WWF, implementing similar projects in the Sialkot region, will be engaged. Activities will be coordinated with these organizations to avoid unnecessary duplications of work and spent resources, create synergies and increase the impact of the activities implemented.

14	Other Partners	Training Institutions / Providers	Government Institute of Leather Technology, Gujranwala (GILT); Leather Products Development Institute, Sialkot (LPDI) GILT and LPDI, the two main institutions involved in leather, will participate in training and capacity building activities. LPDI and GILT instructors will be trained during a project and after the project will disseminate the knowledge and will incorporate up-to-date sustainable technologies in training activities. These training institutions are intended to provide on-going training and capacity building training following the project completion and as such, will take ownership of the training packages developed through this project. Beneficiaries are expected to pay a small fee to raise the necessary funds for the maintenance and updating of the training courses, ensure their sustainability and facilitate scale-up

Impact on the position of women

The project will have positive impact on women, as the project will have a positive impact on the environment of Sialkot, on health and on the economy, women will also benefit from improved environment. Furthermore, it is expected that the project will contribute to the creation of additional employment possibilities that are accessible for women, and thus contribute to improve their socio-economic situation.

The project will take pro-active steps to ensure a safe work place for women and suitable training programmes, based on a gender analysis in cooperation with women association or NGO's e.g. Community Development Concern (CDC).

Significant socio-economic and environmental changes since the beginning of project implementation

During the period since start of the project, Pakistan has undergone some changes, both political and economic. The new government, as expected, has undertaken some economic and administrative reforms. The national currency has been considerably devalued; reforms in taxation have created some temporary confusion for traders and manufacturers. Local and international factors have affected stock market adversely. Like other countries of the world the Corona virus pandemic has posed a challenge. The export oriented leather industry in Pakistan has remained comparatively stable up till now, however impact of the pandemic is yet to be seen. Local corporate sector of Sialkot has been successful in launching their own airline, AIRSIAL, after running a local private airport and dry port. A motorway connecting the city with Lahore, the provincial capital, has just completed that has reduced the journey between the two cities to one third, a great help to the local business. The trend of the people, even in rural areas of the district,

to rely less and less on agriculture and seek employment in business continues.

Transforming the leather processing industries towards low emissions and climate resilient development paths in Pakistan (GEF ID 9585/UNIDO ID 160069)

Being the second largest foreign exchange earning industry in Pakistan, the leather sector has a very strong export orientation. Thus, besides meeting local regulations, it is also required to comply with the strict standards of the developed world and meet the requirements of its overseas buyers on highly competitive international markets. Although the leather sector and tanning industries have a positive effect on employment and economic growth rates in Pakistan and Karachi-Korangi, their effect on the environment is a serious threat for future development.

The tanning industry of Karachi is primarily concentrated in Korangi since most of the operating tanneries are located there. There are about 170 tanneries in Karachi, almost all of them located in one cluster – sector 7/A of Korangi Industrial Area.

The tanning process requires large quantities of water. However, the Karachi Water and Sewerage Board is not able to supply an adequate quantity of water to the tannery areas. Currently, the treated effluent from the CETP (Central Effluent Treatment Plant) is discharged in a storm water drain, ultimately reaching the Arabian Sea.

The leather industry faces a number of barriers that also represent some of the root causes of the emissions-related problems in Korachi-Korangi Leather Area (KLA). These include but are not limited to:

- Overlapping mandates and weak (if any) coordination among the institutions implementing environment and energy laws and sub-laws that could force a shift to a more resource efficient and low carbon manufacturing sector;
- Lack of appreciation of the technical feasibility and economic viability of low- emissions technologies that are applicable on a small-scale;
- Lack of guidelines and recommendations (frameworks in general) that would create a level playing field for the introduction of low-emissions technologies;
- Weak institutional support for market players involved in promoting low- emission technologies;
- Lack of capacity by market players and enablers to effectively function including entrepreneurship skills for potential project developers etc.;
- Limited understanding and awareness at what section of the value chain GHG emissions are significant and consequently the inability to properly target their reduction
- Limited capacity and technology to systemically manage waste at city and industrial sector level.
- Lack of technical know-how to properly design and manage sector-level services such as the CETP and its conveyance system and waste treatment.

Several root causes and barriers to the adoption of sound waste management approaches and utilization have been identified and include:

- Weak enforcement of environmental regulations and a lack of incentives to comply

with environmental laws has created an environment of non- compliance;

- Insufficient awareness of the financial benefits of more waste efficient production led managers to opt for short-term profitability over the additional costs that often come with implementing waste efficient techniques;
- Lack of private-sector capital for investment in waste efficient technologies or lack of willingness of managers to spend money on clean energy or production investments because of the greater concern over short-term profits;
- Low levels of skills among Pakistani workforce needed to implement technical recommendations;
- Lack of understanding of the negative effects of unregulated solid waste, lack of institutional capacity to properly manage solid waste, lack of understanding of the usefulness of solid waste (e.g. by-products);
- Karachi city does not have a proper solid waste management system right from collection of solid waste up to its proper disposal. Because of the lack of adequate disposal sites, much of the collected waste finds its way to dumping grounds, open pits, ponds, rivers and agricultural land;
- Accounting and reporting GHG emissions from waste management is particularly challenging. Waste sector activities generate emissions of methane (CH4), carbon dioxide (CO2) and nitrous oxide (N2O), amongst others. However, the industry is also responsible for reducing impacts through materials recovery and energy generation;

As a response to the need to reduce emissions while maintaining profitability, the project is aimed at the deployment, demonstration and financing of low-carbon technologies and GHG emission mitigation options not yet present in Pakistan, while also enhancing the competitiveness and acceptability of Pakistani leather products in international markets. These benefits present a win-win scenario for KLA tanneries: reduced GHG emissions and higher possibility of increased export earnings.

Thus, very broadly, and in accordance with the above guidelines, the proposed baseline project concerns the entire leather production industry, waste management at city level as well as some related environmental activities within KLA to mitigate climate change. The following figure serves as an overview of the envisioned baseline projects. Each component is described below the figure.

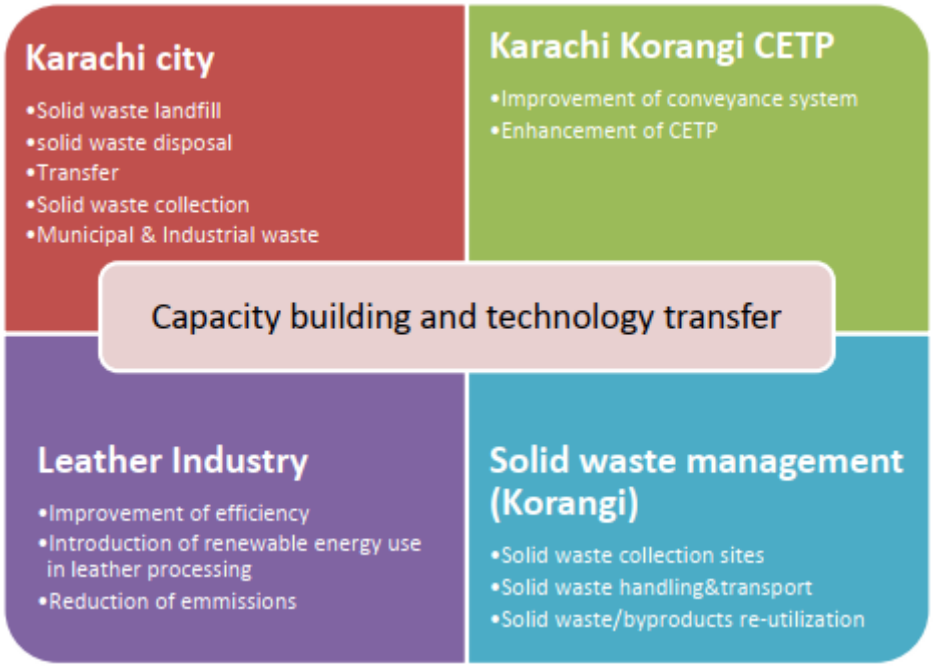


Figure 1 Overview of baseline projects

In line with the GEF-6 Climate Change Mitigation focal area strategy, the project will i) contribute to the support of integrated approaches combining policies, technologies, and management practices with significant climate change mitigation potential. The project will: i) promote innovation, technology transfer, and supportive policies and strategies;

ii) demonstrate mitigation options with systemic impacts; and iii) foster enabling conditions to mainstream mitigation concerns into sustainable development strategies. In line with GEF-6 CCM Program 1, the project will promote and demonstrate: i) technologies with transformational potential; ii) the acceleration of low emission technology innovation and uptake through demonstration, deployment, transfer using policies and mechanisms, and iii) collaborative initiatives with stakeholders, including the private sector, to adapt technologies to user needs.

The project will contribute to both the CCM focal strategy and Program 1 in the following ways:

- Providing fine-tuned guidelines and recommendations to upscale the CCF/Leather Environmental Footprint and increasing access to low-carbon financing;
- Provide technical and managerial support to the leather product sector of Karachi/Sindh, in cooperation with executing and project partners: the areas of interest are individual industrial units and combined sector specific facilities through building up capacities to enable local government and its partners like PTA, Environmental Society to reduce GHG emissions.
- Providing examples of how innovative technical solutions, such as tallow recovery, use of renewable energy – solar water heating, proper effluent treatment – can improve efficiency by reducing inputs, reusing items and maximizing outputs;
- Technology transfers and demonstration of proper waste management systems and how it can lead to additional/alternative revenue streams, reduced costs and improved

efficiency;

- The preparation of investment proposals based on the feasibility of different waste streams;
- Capacity building on the CCF/ Leather Environmental Footprint approach, waste management system and best practices in leather production to minimize industrial, environmental and carbon footprint;
- The improvement of practices under the UNFCC and development of global environmental management indicators as part of the national energy and environmental management systems of Pakistan.
- Develop capacities of the local communities to better face the climate change challenges and to take benefits from the development initiatives carried out in the region.

The areas of interest are individual industrial units and combined sector specific facilities. The strategy is to build up capacities to enable local government and its partners like PTA, Environmental Society to reduce GHG emissions. The project will also develop capacities of the local communities to better face the climate change challenges and to take benefits from the development initiatives carried out in the region.

To achieve the overall aim, the project will contribute to strengthening the technical and management operations of the KLA cluster. Production processes, cleaner production facilities, sector level facilities (such as the CETP for KLA and proper waste management) and technical and professional capacities will be established and optimized to improve tannery efficiency and reduce GHG emissions. If identified during the project, feasible add-ons will be initiated to further reduce GHG emissions.

The project will assist the KLA to enhance product exportability and international acceptability by acquiring international sustainable certificates, labels and other brand requirements and to ensure that the sector establishes measures to comply with international/local standards.

The project will introduce new and appropriate technologies for the tanning process as well as for the treatment, recycling and reuse of industrial effluents and waste. This will improve the water quality in the natural water bodies, reduce water pollution and lessen the strain on Pakistan's natural resources.

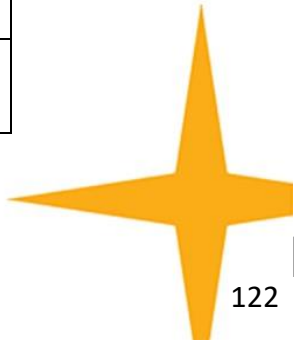
The KLA Infrastructure (e.g. tanneries) and the CETP and proper waste management design will take all CC projected changes into account. With these improvements, industry will be more resilient and capable to achieve continuous production without unnecessary losses, thereby strengthening job and income security.

The project will also assist the KLA to enhance product exportability and international acceptability by acquiring international sustainable certificates, labels and other brand requirements and to ensure that the sector establishes measures to comply with international/local standards.

The project will be executed under the MoCC of Pakistan, with one technical execution partner: the PTA (S.Z) Environment Society. Due to the cross-cutting nature of the intervention, the importance of national ownership and in support of the project's effectiveness and sustainability, the project will be carried out in cooperation with other national and local stakeholder government agencies. The below table highlights the stakeholders that will be coordinated with throughout the

project.

Stakeholder	Description
Implementation/Execution Partners	
UNIDO	As the GEF Implementing Agency, UNIDO will lead the process of project preparation and development with the participation of key stakeholders from the Government and Private Sector. The project execution will be undertaken through multiple contractual arrangements between UNIDO and national governmental entities, industry associations as well as targeted technical assistance and administrative execution supported by UNIDO.
Ministry of Climate Change (MOCC)	The Ministry will be the project's National Executing Agency. The Ministry is primarily responsible for planning, coordinating, promoting, protecting and overseeing the policy implementation of government sanctioned environmental and forestry programmes in the country. The Ministry will take all necessary steps to streamline the policies, legislation and guidelines for MOCC for their consideration to help transfer and diffusion of technologies prioritized by experts.
Pakistan Tanners Association - South Zone (PTA-SZ) Environmental Society Korangi Industrial Area Karachi	The PTA will be the project's technical executing partner for activities related to the leather sector (executing entity procurement modality). 213 tanneries are members currently registered with Pakistan Tanners Association from all over the country. They are actively engaged in manufacturing and fully geared-up towards promoting the export of quality finished leather and leather products according to international demand.
Government	
Federal Ministry of Industries	Created to set up industries in Pakistan in such fields where the private sector was shy and where large amount of capital outlay with long gestation period was required.
Sindh Environmental Protection Agency	Sindh-EPA is mandated to prepare or revise, and establish the NEQS, to take measures to promote research and the development of science and technology, protection of the environment, and sustainable development.
Urban Unit P&D Department Government of Sindh	Support research activities, carry out studies, and prepare policies, plans and projects, provide technical support on policies and planning for urban development and more effective urbanization in Sindh.
Karachi Water and Sewerage Board	Is a service-based consumer-oriented organization responsible for production, transmission and distribution of potable water to the citizen of Karachi, managing sewerage system within the city to ensure hygienic environment, development of scheme to cover short falls in services and collection of revenues for sustained economic viability.
Institutional	
National Institute of Leather Technology, Pakistan (NILT)	Established to meet the requirement of the leather industry pertaining to the skilled and semi-skilled technical personnel including managerial functions so as to serve as a part of human resource development of the country.
Leather Products Development Institute, Pakistan (LPDI)	Established to produce trained manpower for the leather industry so as to enhance the industry's productivity and improve the quality of products to meet international standards.



Private sector	
Industry Owners	This includes industry owners that are not necessarily members of the PTA, but that have an interest or stake in an aspect of the project intervention.
Technology providers	Technology providers will be also engaged in the project to present their latest developments and to provide support for implementation of the Best Available Technology.
Karachi Chamber of Commerce and Industry	Facilitate the members to prosper and succeed through a proactive working partnership with businessmen, traders, all levels of government and community organizations to achieve a strong economy and high quality of life, improving the business environment and economic well-being of Pakistan.
Community	
Agriculture dependent communities, including farmers	For incorporating their concerns into planning and project implementation. Farmers and agricultural communities as one beneficiary group will be actively involved in the project.
Other	
NGOs and non-profit organizations	NGOs and various non-profit organizations, particularly gender groups, will be involved in the project preparation, and to represent various groups e.g. women, youth, farmers, various communities etc. Active participation of various NGOs is expected for project replication. Various tools and studies prepared by the project will be disseminated to interested organizations for further use. Similarly, there will be cooperation with other organizations such as IULTCS, LWG, and ICT etc., which also have very useful tools for such projects. Cooperation is envisaged in organizing special Experts Groups Meeting and various consultations.
Additional partners	Additional organizations, group and partners e.g. WWF, implementing similar project in Sialkot region will be engaged with. Activities will be coordinated with these organizations to avoid unnecessary overlap and also to create synergy and increase impact of activities.

Gender mainstreaming

The main goal concerning female participation will relate to improving working and living conditions for women in KLA and improving access to new job opportunities in the leather sector. The project will be ensured that 40% of women can provide inputs, access and participate in project activities.

In general, the project will ensure that:

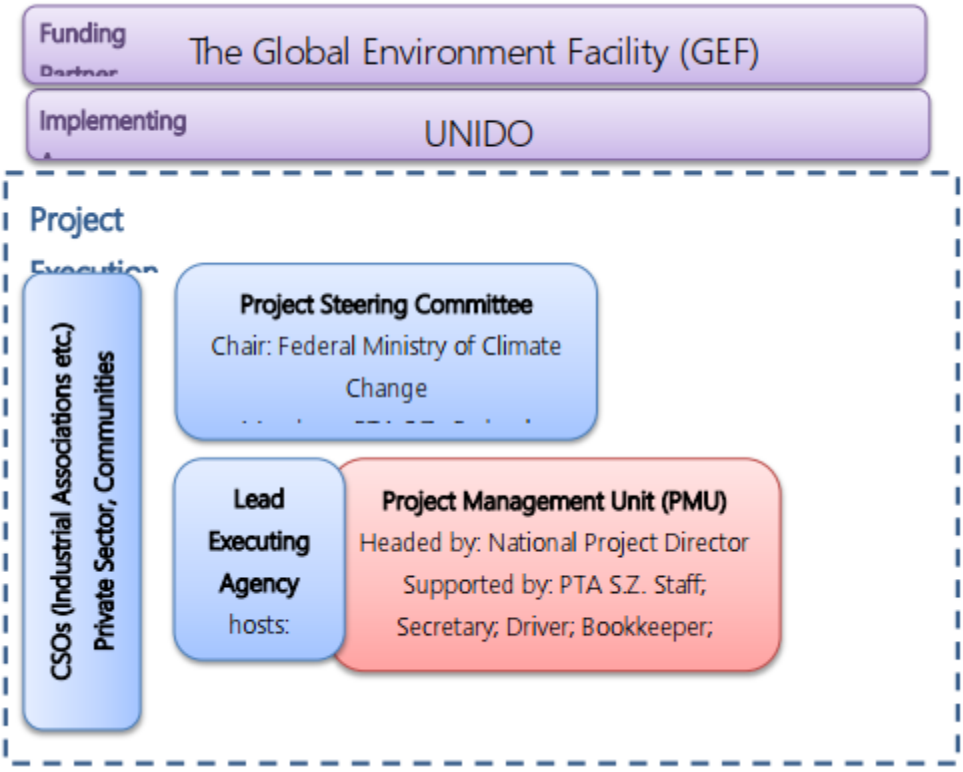
- Women will be given opportunities not only for emerging or alternative income generating activities but also on existing remunerative activities/ in the sector area.
- The Executive Contract Agreement will include in the TOR a gender component in which reference will be given to the disaggregation of data by sex. A gender expert will be part of the ECA.
- Gender responsive indicators, targets and a baseline to monitor gender equality results will be included in the project once the inception phase has been completed.
- All project staff will be sensitized to gender. If weaknesses are identified the project will

support capacity building/gender awareness training.

- Implementation in accordance with the UNIDO gender guidelines.

These strategies will be addressed during project implementation according to more in- depth assessments.

Below is an outline of the executing arrangements.



UNIDO will prepare an “Execution Agreement” between UNIDO and PTA S.Z. to agree and specify activities to be executed by PTA. S.Z. Funds for the project execution will be transferred to PTA S.Z. according to the Executive agreement. Detailed Terms of reference and deliverables will be part of the Executive agreement

PTA S.Z. will be responsible for the following inputs:

- Recruitment of the PD and additional staff (such as technical, administrative and support staff, bookkeepers and a driver) and supplier contracts. PTA S.Z. will also provide co-financing for project staff salaries and social benefits.
- Having a gender balance subject to the availability of the local resources in all the recruitments conducted by PTA S.Z.
- Remuneration of all the experts and consultants recruited by PTA S.Z.
- All civil works related to the STZ project

- Procurement of the services and equipment/machines in case that NEP/MoCC does not have capacity to conduct tender.
- Contractual issues for training services and works
- Timely payments and ownership of project outputs

For the execution of the project, the government's responsibility lies in providing and improving some of the overall infrastructure, such as the enhancement of CETP for Korangi 7A, indication and preparation of proper landfill site for Karachi and industrial waste from Korangi. These major infrastructure investments are expected to be covered by the government's budget and possibly by donations that the Government can acquire. Co-financing of the project through PTA S.Z. will also come from the end users.

Significant socio-economic and environmental changes since the beginning of project implementation

During the period since start of the project, Pakistan has undergone some changes, both political and economic. The new government, as expected, has undertaken some economic and administrative reforms. The national currency has been considerably devalued; reforms in taxation have created some temporary confusion for traders and manufacturers. Local and international factors have affected stock market adversely. Like other countries of the world the Corona virus pandemic has posed a challenge. The export oriented leather industry in Pakistan has remained comparatively stable up till now, however impact of the pandemic is yet to be seen.

IV. Purpose, objectives and users of the mid-term review

Purpose

The purpose of this mid-term review is to provide the project management team with feedback on the project's performance to date and to identify early risks to project sustainability, effectiveness, efficiency and progress towards results, including gender mainstreaming.

Objectives

The Mid-term review's objectives are to:

1. Enhance transparency and dialogue between the respective project's stakeholders to promote learning for the further development of the respective projects as well as for its replicability and scaling-up of results
2. Gain insights on the functioning of the respective project's structures and processes
3. Check to what extent respective project's milestones are being achieved, and if targets are likely to be met and results achieved as planned. This should be based on an assessment of each project's relevance, acceptance, potential risks.
4. Assess project's effectiveness, efficiency, as well as potential impact and sustainability.
5. Assess the design of project's M&E frameworks to ensure efficient monitoring during project implementation and evaluability.

The mid-term review provides evidence-based information that is credible, reliable and useful for

the stated MTR purpose.

Users

The direct users of the mid-term review results (conclusions, lessons learned, and practical recommendations) are the project manager and project teams, project stakeholders and the GEF. In addition, lessons learnt must be shared within UNIDO to further develop the project approach and to feed into project design and formulation of similar projects, thus enhancing learning within the Organization.

V. Review issues and key questions

Based on the purpose, objectives and focus of these mid-term reviews, the following questions indicate what is especially valuable for the project manager and project teams as well as the other stakeholders to know. These should be answered within the budget and time of the mid-term review. The list is not exhaustive. The final list of review questions as well as the feasibility of answering the questions within the time, budget and data constraints will be discussed between the review team and the project manager and project team during the inception phase

V.1 Specific questions applicable to both projects

- Is the project on track vis-à-vis the foreseen outcomes?
- What challenges are causing delays?
- How can the challenges be overcome?
- Is the project still relevant?
- Is it feasible to complete the project with the remaining resources and the existing context?
- Is the project at risk (in terms of timely completion, delivery of its outputs and achievement of its outcomes, other risks)?
- Are there chances for upscaling and/or replication of the project approach or results?

Questions can be adjusted during the inception phase of the review.

V.2 Standardised mid-term review criteria, questions and rating system

In order to establish objectively comparable performance across a variety of projects, the review team will assess and rate the projects based on the following review criteria, grouped into eight categories (i.e. from A to H):

A. Project design assessment
    1. Project design
    2. Project results framework/logframe
B. Project performance and progress towards results
    1. Relevance
    2. Effectiveness and progress towards results

3. Efficiency

C. Project implementation management
    1. Project management
    2. Results-based work planning, monitoring and evaluation systems, reporting
    3. Financial management and co-finance
    4. Stakeholder engagement and communication
D. Scale-up, sustainability and resilience
E. Gender mainstreaming
F. Environmental and Social Safeguards (ESS)
G. Performance of Partners
H. Remaining barriers to achieving the project expected results

The rating is based on a 6-point scale, from highly satisfactory (6) to highly unsatisfactory (1)2. The above standardised review criteria are further broken down into review questions to be found in Annex 8.

V.3 Risk assessment

One of the primary objectives of the MTR is to identify risks to achieving project goals and to provide an "early warning system" to mobilize remedial actions to address risks that are likely to affect the project outcomes. The proposed approach is intended to assist the project manager and the MTR team to review in a systematic manner the project design, relevance, effectiveness, efficiency, sustainability and project management, and to identify risks that are likely to effect the achievement of project results and to outline timely risk mitigation and management measures

To conduct risk analysis, the MTR team should complete Table 1 below with the ratings of each standardized MTR criteria, grouped by categories from B to H (see above section IV.2 "Standardised mid-term review criteria, questions and rating system" above) and use a color-coded system to mark the level of risk towards achieving the project results. A review criterion is defined as AT RISK (red) when it has a rating as highly unsatisfactory (1), unsatisfactory (2) and moderately unsatisfactory (3), and NOT AT RISK (green) when it has a rating of moderately satisfactory (4), satisfactory (5) or highly satisfactory (6).

The overall risk rating for the project is based on the number of identified risks for each criteria and category (see Table 1 example below). The ratings consist of 3 values: 0- 1 risks identified means NO RISK or LOW RISK/the project is on track (green), 2-3 risks imply that the project is in trouble and some corrective action is needed (yellow), and if the number of risks is 3 or more, the project at MTR is highlighted as AT RISK (red), meaning that the project objectives are at risk of not being achieved by the end of the project. A justification for ratings (i.e., qualitative analysis) should be also provided, together with a short recommendation for a remedial action to address risk mitigation

Table. Risk identification and assessment

Categories	Criteria	At Risk (Risk Rating 1-3)	Not at Risk/ (Risk Rating 4-6)	Description
B. Project performance and progress towards results	1. Relevance			
	2. Effectiveness and progress towards results			
	3. Efficiency			
C. Project implementation management	1. Project management			
	2. Results-based work planning, monitoring and evaluation systems, reporting			
	3. Financial management and co-finance			
	4. Stakeholder engagement and communication			
D.	Scale-up, sustainability and resilience			
E.	Gender mainstreaming			
F.	Environmental and Social Safeguards (ESS)			
G.	Performance of Partners			
H.	Remaining barriers to achieving the project expected results			
	Overall Project Risk Rating Summary:			Overall Project Risk Rating at MTR– based on number of identified project risks 0-1 L 2-3 M >3 H

VI. Review approach and methodology

Based on the purpose and objectives of the mid-term reviews, it is recommended to use a mixed methods approach with quantitative and qualitative methods in order to get a better understanding of what the project has achieved thus far against its set milestones, targets and results, and how or why this has occurred or not occurred. Quantitative and qualitative data should be triangulated, where feasible, to maximize reliability.

The reviewer will be required to use different methods to ensure that data gathering and analysis deliver evidence-based qualitative and quantitative information, based on diverse sources, such as desk studies and literature review, statistical analysis, individual interviews, focus group meetings, surveys and direct observation.

However, the reviewer shall propose a detailed review design and methodology in the inception phase of the review process and describe it in the inception report. Decisions to use primary, secondary or tertiary data should be well justified (internal/external validity, reliability, efficiency).

Mid-term review results are relevant to all parties. Therefore, a participatory approach should be followed whereby the mid-term review reflects their views of the relevance, effectiveness, efficiency and potential impact and sustainability of the project; all key parties associated with the project should be kept informed and regularly consulted throughout the mid-term reviews.

The reviewers must respect the right of institutions and individuals to provide information in confidence and ensure that sensitive data cannot be traced to their source. Reviewers must ensure that those involved in mid-term reviews are given an opportunity to examine the statements attributed to them.

VII. Time schedule and deliverables

The mid-term reviews are scheduled to take place from 30 July to 30 October, 2020 so that findings and recommendations can be implemented and used to steer the remaining project activities.

Below is a tentative time schedule, which is to be refined during the review inception report based on the proposed methodology:

Deliverables	*Timeline*	*Location*	*Responsible*
Contract signed with reviewer(s)/contractor	30 July, 2020	Home-based	PM
Desk reviews	30 Jul-13 August	Home-based	Reviewer
Delivery of draft inception reports	13 August		Reviewer

Briefing of Reviewers	17-18 August	Home-based	PM Reviewer
Revised inception reports containing work plan, key findings of desk review, methodology, review tools such as questionnaires and interview guidelines, sampling technique(s), etc.	24 August	Home-based	Reviewer
Data collection: testing of review tools, field visits, field research, interviews, observation, questionnaires, debriefing, etc. as applicable.	25 August -3 September	Sialkot and Karachi or home-based	Reviewer
Debriefing for HQ (via skype/video call), presentation of preliminary findings.	4-7 September	Home-based	Reviewer
Data analysis and preparation of draft reports	8 September-5 October	Home-based	Reviewer
Delivery of draft reports to be shared with the UNIDO Project Manager, ODG/SPQ/QUA, the UNIDO GEF Coordinator and the GEF OFP and other relevant stakeholders for receipt of comments	COB 5 October	Home-based	Reviewer
Collection of comments and review of draft reports	6-23 October	Home-based	Reviewer PM
Final reports	COB 23 October	Home-based	Reviewer
Approval of final reports	28 October	HQ Vienna	PM
Dissemination (Management Response Sheet, other)	30 October, 2020	HQ Vienna	PM

* PM: project manager, QUA: Quality Monitoring Division

VIII. Review team

The review team is suggested to be comprised of:

1) One lead reviewer (under the supervision of the subcontractor) with extensive experience and knowledge of monitoring, review and evaluation methodologies. For full details see section IX.

2) One assistant mid-term review consultant familiar with monitoring, review and evaluation methodologies. This reviewer will be directly contracted by UNIDO and will be based in Vienna, Austria at UNIDO HQ.

Suggestions of an alternative review team composition will also be considered and should be documented in the proposal.

The review team should have the following competencies/skills:

- Appropriate language skills
- Process management skills, including facilitation skills
- Writing and communications skills
- Good interpersonal skills
- Ability to address relevant cross-cutting thematic issues, including gender
- Adequate understanding of local social and cultural issues
- Adequate mix of national and international expertise and of women and men

Members of the review team must be sensitive to beliefs, manners and customs of the social and cultural environments in which they work. In the light of the United Nations Universal Declaration of Human Rights, reviewers must be sensitive to, and address issues of, discrimination and gender inequality.

Responsibilities

The subcontractor shall maintain the chief responsibility for conducting the mid-term reviews. Through the lead reviewer, for each project the service provider is responsible to (1) carry out a thorough desk review, (2) develop a suitable mid-term review methodology and a mid-term review work plan; share these with the project team at UNIDO for their review and comments, develop interview guidelines and questionnaires for key informants and groups of stakeholders, (3) if appropriate, develop a beneficiary survey and conduct a pilot survey in close cooperation with the respective UNIDO resource persons, (4) apply tools in the field and carry out interviews/questionnaires, etc. in the established sample, (5) analyse the data, (6) be responsible for the drafting of the mid-term review report and share it with the project team at UNIDO, (7) edit and finalize the mid-term review report, (8) present the mid-term review findings.

The assistant reviewer (to be directly contracted by UNIDO) shall (1) familiarize her-/himself with relevant project documentation, (2) recommend changes to draft methodology (3) recommend changes to the tools as well as sampling technique (4) participate in the development of the draft mid-term review report (5) drafting recommendations for if applicable.

The tasks of the assistant reviewer are specified in the job description attached to these terms of reference.

The review team will be continuously and simultaneously supported by the project manager, respective project staff members, the UNIDO field office and local counterpart(s). During the review implementation process, the review team will benefit from UNIDO operational capacities in Sialkot and Karachi, Pakistan; this includes internal transportation as well as office space and provision of the necessary material.

The review team should be able to provide information relevant for follow-up studies, including review verification on request to the GEF partnership up to two years after completion of the mid-term review. The UNIDO GEF Coordinator will be briefed on the mid-term review and equally provide support to its conduct. The UNIDO GEF Coordinator will be briefed on the mid-term

review.

Copyrights for the report developed as part of this contract will reside with UNIDO.

I. Criteria for evaluation of offers

The offers will be evaluated according to the extent to which the service provider meets the following:

- Immediate availability of the contractor;
- Completeness of the offer as described in the Terms of Reference;
- Registered company or organisation with at least three (3) years of consulting experience in Pakistan;
- Overall quality of the technical offer and the proposed review/implementation methodology and strategy;
- Quantity and quality of the provided track-record of the lead reviewer/review team regarding reviews or project evaluations, CC matters, project planning and implementation;
- Scope of work experience of the lead reviewer/review team in the Asia region; work experience with Pakistan is a requirement;
- Availability throughout the whole consultancy service period, to regularly engage in Skype meetings with the core team and relevant partners;
- Quality of alternative plans for different COVID 19 scenarios;
- Quality of assessment detailing feasibility for remote data collection and quality implications on mid-term review reports.

The subcontractor's lead reviewer should possess the following:

Education: Advanced university degree in environmental sciences; development studies, social sciences, or related field. The lead reviewer ideally demonstrates a strong academic background in CC matters related to the requirements under the Terms of Reference.

Technical and functional experience:

- Minimum of seven (7) years' experience in conducting and/or leading managing reviews or evaluations (of development projects).
- Strong problem solving, communication, research and outstanding analytical writing skills, with a proven ability to write analytical reports;
- Strong qualitative and quantitative methodological skills incl. data collection, management and analysis
- Ability to effectively communicate complex and technical information to technical and general audiences;
- Proven ability to lead and coordinate multidisciplinary teams;

- Knowledge about GEF operational programs and strategies and about relevant GEF policies such as those on project life cycle, M&E, incremental costs, and fiduciary standards.
- Experience in reviewing/evaluating at least five (5) GEF projects; knowledge of UNIDO activities an asset
- Knowledge about multilateral technical cooperation and the UN, international development priorities and frameworks
- Working experience in Pakistan, ideally in Sialkot and Karachi.
- Holder of UN BSAFE certification or willingness to undertake training

Languages: Fluency in written and spoken English and Urdu is required.

Education, technical and functional experience and languages of any additional reviewers will be evaluated according to their assigned responsibilities.

IX. Submission of offers

Offers should contain the following:

- CV of lead reviewer and subsequent reviewers
- Company profile including demonstrated experience in projects of a similar nature
- Certificate of incorporation
- Description and division of responsibilities between lead and assistant reviewer
- Alternative team composition and description thereof if applicable
- Financial proposal including cost breakdown for the following:
    - Field visits to each location
    - Remote data collection (in case of COVID 19 restrictions if deemed feasible)
    - Variations in team composition (as applicable)
- Assessment detailing the feasibility of remote data collection and the potential implications on the quality of the mid-term reviews
- Other information deemed relevant by the vendor

X. Mid-term review report outline

The mid-term review report should include:

1. Executive summary

2. Country and project background and context

Brief up-to date country context and sector-specific issues of concern to the project, reflecting important developments during the project implementation period; project summary.

3. Mid-term review objectives, methodology and process

Purpose, objectives and users of the mid-term review, scope and focus; Review issues, key review questions;

Review approach and methodology to answer the questions based on evidence.

4. Project assessment

This is the key chapter of the report and should address all review categories, criteria and questions and the risk assessment outlined in the TOR. The assessment should be based on factual evidence collected and analysed from different sources wherever feasible.

5. Conclusions, recommendations and follow-up plan

(Definitions of 'conclusions' and 'recommendations' see glossary). It is recommended to structure recommendations by addressees, e.g.:

- UNIDO
- Government and/or Counterpart Organizations
- Donor

The follow-up plan should be structured as follows:

Project component/result	Recommendation	Agreed action	Responsibility	Priority & agreed date

Also risks and recommendations for remedial actions should be reflected in the follow-up plan.

6. Annexes

These should include the mid-term review TOR, list of interviewees, documents reviewed, a summary of project identification and financial data, and other detailed quantitative information.

XI. Quality assurance of the mid-term review

The conduct of mid-term reviews is the joint responsibility of the UNIDO project manager who will lead on substantive and administrative issues, and her/his line management who are responsible for results-based management, and quality management including quality assurance; the UNIDO Quality Monitoring Division (ODG/SPQ/QUA) will support and provide guidance.

In particular, the project manager is responsible for initiating and managing the mid- term review, including the preparation of the draft terms of reference (TOR) and the job description (JD) of the review consultant(s). The project manager distributes drafts and final reports to stakeholders, and organizes presentations of preliminary review findings which serve to generate feedback on and discussion of mid-term review findings, recommendations and the follow-up plan. The project manager is responsible for the submission of the final mid-term review report to the Quality Monitoring Division, the Independent Evaluation Division (ODG/EIO/IED), and GEF coordination.

The project manager and her/his line management assess the quality of the mid-term review report and rate it using the checklist for mid-term review report quality (see annex 6). This checklist is also to be annexed to the mid-term review TOR as quality guidance for the review team. The project manager and her/his line management ensure the timely follow-up on the MTR recommendations. Finally, the project manager is responsible to report systematically in the successive project progress reports on the implementation of the follow-up plan.

The Quality Monitoring Division provides quality assurance support and advice to project managers and their line management in the form of guidance, ad-hoc advice and feedback on TOR, JDs, review consultant CVs, as well as draft and final reports. For the purpose of quality monitoring, the Quality Monitoring Division works to capture the results of mid-term reviews to build knowledge and information that will later provide the basis for independent evaluation.

XII. Annexes of the mid-term review TOR

1. Project fact sheets
2. Project results frameworks/logframes
3. Project budget information
4. Job Description for assistant reviewer
5. Gender guidance generic questions
6. Checklist for mid-term review report quality
7. GEF minimum requirements for M&E
8. Detailed questions to assess evaluation criteria.

Annex 1 - Project factsheets

Project Title	Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development
UNIDO ERP ID and/or project No.	150052
GEF project ID	5666
Region	Asia
Country/-ies	Pakistan
GEF focal area(s) **and operational programme**	Climate ChangeAdaptation GEF 5
GEF implementing agency(ies)	UNIDO
GEF executing partner(s	Sialkot Tannery Association Guarantee Ltd (STAGL) – Lead Executing Partner Ministry of Climate Change (MoCC)
Project size (FSP, MSP, EA)	FSP
Project CEO endorsement / Approval date	10.12.2015
Project implementation start date (first PAD issuance date)	04 March, 2016
Expected implementation end date (indicated in CEO endorsement/Approval document)	March, 2020
Revised expected implementation end date	04 March, 2023
GEF project grant (excluding PPG, in USD)	3,310,000
GEF PPG (in USD)	90,000
UNIDO co-financing (in USD)	250,000
Total co-financing at GEF CEO endorsement (in USD)	14,450,000
Total project cost (excluding PPG and agency support cost, in USD; i.e., GEF project grant + total co- financing at CEO endorsement)	14,700,000
Mid-term review date	July-October, 2020
Planned terminal evaluation date	Jan-Feb, 2023

Project Title	Transforming the Leather Processing Industries towards Low Emissions and Climate Resilient Development Paths
UNIDO ERP ID and/or project No.	160069
GEF project ID	9585
Region	Asia
Country/-ies	Pakistan
GEF focal area(s) **and operational programme**	Climate Change Mitigation GEF6
GEF implementing agency(ies)	UNIDO
GEF executing partner(s	Ministry of Climate Change (MOCC); Pakistan Tanners Association - Southern Zone (PTA - S.Z) Environmental Society
Project size (FSP, MSP, EA)	MSP
Project CEO endorsement / Approval date	16.10.2018
Project implementation start date (first PAD issuance date)	January 2019
Expected implementation end date (indicated in CEO endorsement/Approval document)	December 2021
Revised expected implementation end date	December 2021
GEF project grant (excluding PPG, in USD)	2,000,000
GEF PPG (in USD)	50,000
UNIDO co-financing (in USD)	198,000
Total co-financing at GEF CEO endorsement (in USD)	12,198,000
Total project cost (excluding PPG and agency support cost, in USD; i.e., GEF project grant + total co- financing at CEO endorsement)	14,198,000
Mid-term review date	July-October, 2020
Planned terminal evaluation date	4th QT 2021

Annex 2 - Project results framework/logframe

Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development (5666/150052)

Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions
Impact			
Increased resilience to CC in the leather sector and urban development planning	• At least 250 tanneries adopting adaptation technologies • At least 250 tanneries (and targeted community groups) adopting CCA measures	Baseline and impact assessment studies	
Objective			
Reducing Vulnerability and Building Resilience through integration of CCA into Urban Development and ensure a modernized and environmentally sound leather production industry	#individuals, households and businesses with increased capacities to respond to impacts of CC	• Inception baseline, midterm and final reports • SCCI reports • National statistics reports	Government continues to priorities development of the leather industry as a means to poverty reduction
Component 1: CCA and Gender Equality for Adaptation Mainstreamed into Urban and Rural Development Planning			
Outcome 1. Climate resilient urban development in Punjab/Sialkot District and reduced vulnerability of rural, urban and other communities affected by CC (e.g. droughts, floods) through improved adaptation measures – water retention, flood management etc.	• % of development frameworks and sectoral strategies that reach adaptation targets • # of workshop attendees and stakeholder groups represented • # recommendations for adaptive measures incorporated into urban development planning at district level (regulatory) • Policy environment and regulatory	• Workshop and seminar material and reports • report with recommendations for district authorities on climate resilient urban planning • Flood management plan • Minutes of meetings	• Government stakeholders and private sector partners are willing to engage in the development of CCA strategies

	framework for adaptation-related technology transfer established or strengthened • Type and # of relevant policies and frameworks developed or strengthened on the transfer of adaptation technology		
Component 2: Climate Change Resilience Building of Vulnerable Communities and Leather Business Owners			
Outcome 2. Increased awareness among targeted community groups and leather business owners on CCA concepts/practices and dissemination of information and expansion of the CCA strategy and project benefits.	• Targeted population awareness of predicted adverse impacts of climate change and appropriate responses, disaggregated by gender	• Workshop and seminar material and reports • Awareness raising material • Revised STZ plan • Minutes of meetings	• CCA benefits successfully transmitted to project beneficiaries • Successful implications of proposed project for
	• Type and # of adaptation actions introduced at local level • # of workshop attendees • # of people sensitized on dealing with floods and other natural disasters • #of community-based trainings on adaptive technologies held • #of trainings for urban planners and local communities on flood management • #of households and tanneries deploying water supply resilient strategies, water harvesting, conservation and		vulnerable communities and leather business owners • Ease in replication

	effluent treatment plant management and treatment technologies		
Component 3: Sialkot District and Sialkot urban plan implementation, dissemination of information, demonstration of safe, affordable and advance technology for water treatment and water conservation in the pilot Sialkot Tannery Zone (STZ).			
Outcome 3. Increased resilience of the most vulnerable groups in rural and urban areas by introduction of advanced, safe, affordable and resource efficient technologies for water and waste water treatment within leather industries in the STZ, thereby preserving water availability for agricultural use.	• # targeted institutions with increased adaptive capacity to reduce risks of and response to climate variability • # staff trained on technical adaptation themes • # individuals trained in adaptation-related technologies • % of population covered by adequate risk reduction measures, disaggregated by	• RECP technology guidance report for tanneries • Minutes of meetings, workshop reports • ToR and tender document for CETP • Bill of Quantities • ToR and tender document for common facilities • CETP conceptual design • CETP approved design • Tender for civil works of	• Suitable technology and service providers will be identified • Tannery owners are willing to shift towards climate resilient development, while being aware of costs involved • STZ will meet international standards for export • Industry willing to invest into climate resilient technologies

	gender • # people trained on UNIDO benchmarking toolkit • Water availability for agriculture (% of population) for targeted region • %increase in safe water resources • % decrease of contaminated water use for irrigation • % increase of households and industries with access to safe water resources for domestic use • Type and # of water management practices introduced to increase access to irrigation water • #households and businesses flood protected • #of jobs created • CETP commissioned • # pilot demonstration units completed • # companies adopting recommended technologies • % of targeted population with sustained climate-resilient livelihoods ($US) • Type and # climate resilient income	CETP • Tender for CETP equip ment • Evaluation of Bids • CETP infrastructure and installed equipment • Training materials and manuals • Assessment reports • Solid waste feasibly study • Technology package • Project midterm and final reports	

	sources for households • % targeted groups adopting transferred adaptation technologies by technology type, disaggregated by gender • Strengthened capacity to transfer appropriate adaptation technologies, disaggregated by gender • Type and # of adaptation technologies transferred to targeted groups		
Component 4: Quality Control Monitoring and Evaluation			
Outcome 4. Quality control and efficient monitoring and evaluation of project intervention to support adaptation by CC vulnerable communities	• Inception Workshop held • Financial audit completed • Annual reports and PIRs completed • Annual RSTC and TPR meetings held • Mid-term evaluation completed • Annual financial audits conducted • Annual visits carried out • PSC established • Final external evaluation conducted • Project Terminal Report completed	• Inception report • Periodic project reports • Midterm report • Final reports	• Full commitment from project stakeholders and understanding of project objective • PMU will ensure the smooth execution and coordination of all project activities, to update and ensure stakeholder participation

Transforming the Leather Processing Industries towards Low Emissions and Climate Resilient Development Paths (9585/160069)

PROJECT NARRATIVE	INDICATOR	BASE LINE	TARGET	SOURCES OF VERIFICATION	ASSUMPTIONS/RISKS
Project objective: Transform industrial processing zones in Sindh Province through the widespread adoption of low-carbon technologies.	# of tanneries/companies adopted GHG emissions reducing technologies and/or systems			• Baseline, midterm and final reports • Leather Environmental Footprint and/or Corporate Carbon Footprint (CCF) data • National statistics reports	Government continues to prioritize low-carbon technologies and the improvement of the leather industry as a means to mitigate climate change
COMPONENT 1: STRENGTHENING THE GUIDING FRAMEWORK TO FACILITATE THE TRANSFORMATIONS TOWARDS LOW EMISSION AND CLIMATE RESILIENT INDUSTRIAL PROCESSING					
Outcome 1.1 Guidelines and recommendations fine-tuned to enable the scale-up of the Leather Environmental Footprint and/or Corporate Carbon Footprint (CCF) approach and increased access to clean-and-low carbon technology financing	• Type and # of relevant policies and frameworks developed or strengthened to increase access to clean-and-low carbon technology financing • Policy environment and regulatory framework to enable the scale-up of the Leather Environmental Footprint and/or Corporate Carbon Footprint (CCF) established or strengthened			• Minutes of meetings • Government reports	• Government stakeholders are willing and able to adopt Leather Environmental Footprint and/or Corporate Carbon Footprint (CCF) • Financing options/priorities remain for the leather sector

Output 1.1.1 – Tools and guidelines for the Leather Environmental Footprint and Carbon Footprint Calculation methodology for the local leather industry reviewed/developed.	• # of existing tools, guidelines and programmes reviewed	0	1 guideline PEF developed	• Leather product environmental footprint toolkit	
Output 1.1.2 - Guidelines and documentation on improvements and extensions of existing regulations encompassing the application of innovative clean-and-low-carbon waste technologies and practices, environmental management and regulatory responsibilities prepared	• # of improvements and extensions of existing regulations	1	1 recommendation to solid waste management act	• Report with guidelines and recommendations to enable scale-up	
Output 1. 1. 3 - Disseminated and informed responsible regulatory authorities on core elements and benefits of the CCF approach and sound waste management.	• # of regulatory authorities trained		50 participants trained	• Workshop and seminar material and reports	
Output 1.1.4 Guideline	• # of guidelines for enhanced utilization of waste streams		1 guideline prepared	• Report with recommendations on the enhanced	

elaborated on the enhanced utilization of waste streams for industrial applications	for industrial applications.			utilization of waste streams for industrial applications	
COMPONENT 2: CAPACITY BUILDING ON THE CCF APPROACH FOLLOWING THE DETERMINED GUIDELINES AND INFORMATION DISSEMINATION ON PROPER WASTE MANAGEMENT INITIATIVES.					
Outcome 2.1: Capacities of key players on the Leather Environmental Footprint, CF and CCF approach for reduced GHG emissions strengthened and information made available to market enablers and major stakeholders on BAT/BEP for waste management within the leather processing sectors	• # of people with increased capacity. At least 500 people trained (technical managers, MOCC, leather associations, companies and other identified/relevant stakeholders). • # of training manuals and tools developed • # of training manuals adapted into curriculum for institutions • Green Productivity team formulated, trained and supported in putting in place measures for compliance with international standards. • # of training curricula for local institutions			• Awareness raising material • Minutes of meetings • Government reports • Compliance with international standards • Project midterm and final reports	• Industry willing to adopt new technologies and use CCF and transparent communication on the environmental performance • Benefits of Leather Environmental Footprint, CF and CCF approach successfully transmitted to project beneficiaries • Implications of waste management understood and accepted • Stakeholders buy into approach

	with topics such as sustainable leather manufacturing. Training will utilize existing and newly developed training tools (whenever possible translated into Urdu).				
Output 2.1.1: Capacity building for decision-makers, BMOs' representatives and other stakeholders, on best practices in leather production to minimize industrial, environmental and carbon footprints built up (KPI: at least 50 participants trained)	• Amount of information on BAT/BEP for waste management within the leather processing sectors made available to market enablers and major stakeholders • At least 50 participants trained (decision-makers, BMOs' representatives, and other stakeholders) on best practices in leather production to minimize industrial, environmental and carbon footprints	0	5 AVTT 50 trainees	• Animated Visual Training Tools (AVTT) – Sustainable Leather Manufacturing • Reports and material from workshops, seminars and training courses • Curricula and guidance for training course	• Leather Environmental Footprint, CF and CCF approach understood and successfully adopted
Output 2.1.2: Information disseminated on	• # of new training tools (e.g. animated presentation	0	350 Trainees	• Curricula and guidance for training course • Reports and material from	•

environmentally sound management of solid waste and by-products for the leather sector as an alternative to unregulated disposal. Technical trainings for industries on using and applying the guidelines and tools developed (KPI at least 350 technicians, managers trained). New tools developed and disseminated yearly to more than 30-40,000 users).	s) for on-line and blended training courses with topics such as Leather Environmental footprint – Sustainable Leather Manufacturing including solid waste • # of technical training courses for industries on using and applying guidelines and tools developed (at least 350 technicians, managers trained).			workshops, seminars and training courses • On-Line training in the Learning Management System • Animated Visual Training Tools – • Sustainable Leather Manufacturing	
Output 2.1.3 - Capacity of BMOs enhanced: Training and capacity building for associations' representatives on the use of CCF/PCEFR tool and on NEQS (National Environment Quality Standards) compliance to disseminate among associations'	• # of training of trainers complete d	0	150 trainees	Training reports	

members. (at least 150 users)					
COMPONENT 3: PILOT OF CCFS AND SOUND WASTE MANAGEMENT AND PRACTICES WITHIN KLA PROCESSING SECTORS OF SINDH PROVINCE DEMONSTRATED					
Outcome 3.1: Low emissions and climate resilient development path is demonstrated and scaled up through the CCF approach and sound waste management procedures for the leather processing industries	• # Solid waste collection sites available for KLA • # of leather processing actors scaled up through the CCF approach and sound waste management procedures • % of GHG emissions reduced • % of waste reduced • # of people with improved working conditions			• Training materials and manuals • Minutes of meetings, workshop reports • Assessment reports • Project midterm and final reports • Government reports	• Capacity of PTA (SZ) ES to operate solid waste collection within KLA • Suitable technology and service providers identified • KLA meets international standards for export • Willingness to invest in low emissions technologies • Success in attracting financing • Private sector investment is available and ROI is positive • Leather profitability does not decrease
Output 3.1.1 - Carbon Footprint - Accounting, evaluating and monitoring inputs, production and processing	• # of relevant stakeholders provided with information on CCF	0	1 CCF report	Technical Report, data	

efficiencies for leather processing transparency and reduced carbon footprint emissions					
Output 3.1.2 - Low-carbon waste technologies and practices selected and demonstrated within the leather processing industries of Sindh Province	• # of proper tools and equipment for collection, handling, storage and transport of solid waste selected and deployed • # of pilot demonstrations completed • Type and # of technologies transferred to targeted groups • % of leather processers adopted CCF and waste management solutions • # of employees in the leather production process and sector-level facilities including the CETP trained on possible techniques e.g. composting, leather board production; etc.		350 Trainees Equipment installed	• Technology deployed for collection of solid waste	• Benefits of Leather Environmental Footprint, CF and CCF approach successfully transmitted to project beneficiaries
Output 3.1.3 Feasibility plans for clean and low-carbon waste	• # of investment options for solid waste utilization	0	1 feasibility study for solid waste management	• Collection system including investment proposals for waste collection	•

technology for possible access to financing prepared	including CF comparison • # of plans for collection and transport of solid waste from source to manufacturing units and/or proper disposal sites • amount of investment attracted			• Feasibility studies for different fractions of solid waste including Carbon Footprint • Plans for sound waste management and utilization and/or proper collection and • disposal of solid waste	
COMPONENT 4: PROJECT MONITORING AND EVALUATION (M&E)					
Outcome 4.1: Progress towards project objectives are continuously monitored and evaluated	• Inception Workshop held • PSC established • # of PSC meetings held • PMU established • # of PMU meetings held			• Inception report • Studies and training on indicators conducted by experts • Meeting minutes, workshop and seminar reports	• Full commitment from project stakeholders and understanding of project objective • PSC and PMU ensure the smooth execution and coordination of all project activities, to update and ensure stakeholder participation • Stakeholders able to produce accurate data according to implemented Leather Environmental Footprint, CF and CCF approach
Output 4.1.1 - Quality control and effective monitoring of project activities,	• Annual reports and PIRs completed • # of site visits	0	3 Annual reports	• Status reports from periodic site-visits and/or monitoring of results	

impacts and results achieved	carried out				
Output 4.1.2 Mid-term and terminal evaluations conducted	• Mid-term evaluation completed • Project Terminal Report completed • Final external evaluation conducted	0	Evaluation report	• Midterm Review • Independent Terminal Evaluation • Terminal Report	

Annex 3 - Project budget information

Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development (5666/150052)

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount ($)
Private Sector	Sialkot Tannery Association Guarantee Limited (STAGL) through STZ project	Cash	13,950,000
Private Sector	Sialkot Tannery Association Guarantee Limited (STAGL) through STZ project	In-kind	500,000
GEF Agency	UNIDO	In-kind	200,000
GEF Agency	UNIDO	Cash	50,000
Total Co-financing			14,700,000

Transforming the Leather Processing Industries towards Low Emissions and Climate Resilient Development Paths (9585/160069)

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount ($)
GEF Agency	UNIDO	In-kind	150,000
GEF Agency	UNIDO	Grants	48,000
Private Sector	Pakistan Tanners Association - Southern Zone PTA (S.Z) Environmental Society	In-kind	5,400,000
Private Sector	Pakistan Tanners Association - Southern Zone PTA (S.Z) Environmental Society	Grants	6,600,000
Total Co-financing			12,198,000

Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development (5666/150052)

Project Objective: Reducing Vulnerability and Building Resilience through integration of Climate Change Adaptation into Urban Development						
Project Component	**Grant Type**	**Expected Outcomes**	**Expected Outputs**	**Trust Fund**	**Grant Amount ($)**	**Confirmed Cofinancing ($)**
1. Mainstreaming Climate Change Adaptation (CCA) and gender equality for adaptation into urban and rural development planning	TA	1. Climate resilient urban development in Punjab/Sialkot District and reduced vulnerability of rural, urban and other communities affected by CC (e.g. droughts, floods) through improved adaptation measures – water retention, flood management etc.	1.1 CCA and gender equality mainstreamed into Punjab and Sialkot district urban development plan 1.2 Flood management plan for the Sialkot Tannery Zone (STZ) and the pilot Dugri drain in Sialkot developed	SCCF	460,000	400,000
2. Climate Change resilience building of vulnerable communities and leather buisness owners.	TA	2. Increased awareness among targeted community groups and leather business owners on CCA concepts/practices and dissemination of information and expansion of the CCA strategy and project benefits.	2.1 Awareness raising activities for target groups - with representatives from rural and urban communities, policy makers, industry and agriculture, to sensitize all involved goups and better understand and incorporate CCA concepts into urban, rural and industrial planning and processes, undertaken. 2.2 Community based trainings on CCA, to overcome CC,	SCCF	320,000	250,000

			through water and energy conservation and flood management undertaken 2.3 Sensitization and joint dissemination activities and workshops for all target groups to have a better understanding of target group needs towards building resilience to CC prepared 2.4 Guidelines on best practices and project knowledge disseminated within Pakistan and other countries in the Sub-region through websites, guidelines and communication products in various languages prepared			
			2.3			
3. Sialkot District and Sialkot urban plan implementation, dissemination of information, demonstration of safe, affordable and advance	Inv	3. Increased resiliance of the most vulnerable groups in rural and urban areas by introduction of advanced, safe, affordable and resource efficient technologies for water and waste	3.1. Various alternatives, especially water harvesting and appropriate effluent treatment technology for the pilot STZ verified and adopted. 3.2.Assistance provided with the preparation of the	SCCF	2,270,000	13,700,000

technology for water treatment and water conservation in the pilot STZ.		water treatment within leather industries in the STZ, thereby preserving water availability for agricultural use.	ToR, tender, technical evaluation and supervision of work and installation of Central Effluent Treatment Plant (CETP) including technology for one CETP module. 3.3. Practical training for improved production efficiency, lower environmental footprint and pollution reduction technologies demonstrated 3.4. Opportunities to use a treated water discharge system, useful and available for agriculture purposes verified and adopted. 3.5. Segregation of useful by- products of leather industrial waste, for further use, mostly by agriculture. 3.6. Water conservation practices/technologies for tanneries to increase resiliance of the most vulnarable groups are introduced and adopted			

4. Quality Control Monitoring and Evaluation	TA	4. Quality control and efficient monitoring and evaluation of project intervention to support adaptation by CC vulnerable communities	4.1. Timely semiannual reports prepared; midterm review and final evaluation [using Adaptation Monitoring and Assessment Tool (AMAT)] of project activities completed	SCCF	124,000	150,000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
Subtotal					3,174,000	14,500,000
Project management Cost (PMC)[3]				SCCF	136,000	200,000
Total project costs					3,310,000	14,700,000

Transforming the Leather Processing Industries towards Low Emissions and Climate Resilient Development Paths (9585/160069)

Project Objective: Transform industrial processing zones in Sindh Province through the widespread adoption of low-carbon technologies.						
					(in $)	
Project Components/ Programs	**Financing Type**[4]	**Project Outcomes**	**Project Outputs**	Trust Fund	**GEF Project Financing**	**Confirmed Co-financing**
Component 1 – Strengthening the guiding framework to facilitate the transformations towards low emission and climate resilient industrial processing	TA	Outcome 1.1 – Guidelines and recommendations fine-tuned to enable the scale-up of the Leather Environmental Footprint and/or Corporate Carbon Footprint (CCF) approach and increased access to clean- and-low carbon technology financing	1.1.1 Tools and guidelines for Leather Environmental Footprint and Carbon Footprint Calculation methodology for the local leather industry reviewed/developed 1.1.2 Guidelines and documentation on improvements and extensions of existing regulations encompassing the application of innovative clean-and-low- carbon waste technologies and practices, environmental management and regulatory responsibilities prepared 1.1.3 Disseminate and inform responsible regulatory authorities on core elements and benefits of the CCF approach and sound waste management.	GEFTF	300,000	1,000,000

			1.1.4 Guidelines elaborated on the enhanced utilization of agr i -food by-products and waste streams for industrial applications			
Component 2 - Capacity building on the CCF approach following the determined guidelines and information dissemination on proper waste management initiatives.	TA	Outcome 2.1 - Capacities of key players on the Leather Environmental Footprint, CF and CCF approach for reduced GHG emissions strengthened and information made available to market enablers and major stakeholders on BAT/BEP for waste management within the leather processing sectors.	2.1.1 Capacity of decision-makers, BMOs' representatives, and other stakeholders, on best practices in leather production to minimize industrial, environmental and carbon footprints built up (KPI: at least 50 participants trained); Information disseminated on environmentally sound management of solid waste and by-products, as an alternative tor unregulated disposal, for the leather sector. Technical trainings for industries on using and applying the guidelines and tools developed (KPI at least 350 technicians, managers trained). 2.1.3 Capacity of BMOs enhanced: Training and capacity building for associations' representatives on the use of CCF tool and on NEQS	GEFTF	128,182	1,500,000

			(National Environment Quality Standards) compliance to disseminate among associations' members. (at least 150 users)			
Component 3 - Pilot of CCFs and sound waste management and practices within KLA processing sectors of Sindh Province demonstrated	Inv	Outcome 3.1 - Low emissions and climate resilient development path is demonstrated and scaled up through the CCF approach and sound waste management procedures for the leather processing industries	3.1.1 Carbon Footprint - Accounting, evaluating and monitoring inputs, production and processing efficiencies for leather processing transparency and reduced carbon footprint emissions 3.1.2 Low-carbon waste technologies and practices selected and demonstrated within the leather processing industries of Sindh Province 3.1.3 Access to clean and low-carbon waste technology financing for the leather processing sector facilitated	GEFTF	1,300,000	9,300,000

Component 4 - Project Monitoring and Evaluation (M&E)	TA	Outcome 4.1 - Progress towards project objectives are continuously monitored and evaluated	4.1.1 Quality control and effective monitoring of project activities, impacts and results achieved; 4.1.2 Mid-term and terminal evaluation conducted	GEFTF	90,000	100,000
Subtotal					1,818,182	11,900,000
Project Management Cost (PMC)[5]				GEFTF	181,818	298,000
Total project costs					2,000,000	12,198,000

UNIDO project disbursement breakdown:

Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development (5666/150052)

Outputs	Total agreement budget	Expenditures					
		2016	2017	2018	2019	2020	Grand Total
150052-1-01-01	$460,000.00	$0.00	$100,812.02	$78,582.26	$71,950.54	$37,555.34	$288,900.16
150052-1-03-01	$320,000.00	$5,696.74	$127,061.20	$92,393.82	$74,350.94		$299,502.70
150052-1-04-01	$2,270,000.00	$173,300.00	$54,325.14	$166,136.70	$36,212.16		$429,974.00
150052-1-51-05	$136,000.00		$40,728.84	$110,729.50	$14,642.28		$166,100.62
150052-1-53-01	$124,000.00						
Grand Total	$3,310,000.00	$178,996.74	$322,927.20	$447,842.28	$197,155.92	$37,555.34	$1,184,477.48

Transforming the Leather Processing Industries towards Low Emissions and Climate Resilient Development Paths (9585/160069)

Outputs	Total agreement budget	Expenditures				
		2017	2018	2019	2020	Grand Total
160069-0-01-01	$0.00	$5,119.04	$90,902.44	$1,305.34		$97,326.82
160069-1-01-01	$300,000.00			$29,445.12	$13,704.92	$43,150.04
160069-1-04-01	$128,182.00			$61,536.96	$34,096.20	$95,633.16
160069-1-05-01	$1,300,000.00			$281,200.00		$281,200.00
160069-1-06-01	$90,000.00			$58,917.16	$9,207.54	$68,124.70
160069-1-07-01	$181,818.00			$33,351.84	$4,543.68	$37,895.52
Grand Total	$2,000,000.00	$5,119.04	$90,902.44	$465,756.42	$61,552.34	$623,330.24

Annex 4 – Job description

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION TERMS OF REFERENCE FOR PERSONNEL UNDER INDIVIDUAL SERVICE AGREEMENT (ISA)

Title:	Assistant mid-term review consultant
Main Duty Station and Location:	Vienna, Austria
Mission/s to:	N/A
Start of Contract (EOD):	July 30, 2020
End of Contract (COB):	October 30, 2020
Contract Type:	WAE
Number of Working Days:	56 days

ORGANIZATIONAL CONTEXT

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability. The mission of UNIDO, as described in the *Lima Declaration* adopted at the fifteenth session of the UNIDO General Conference in 2013, is to promote and accelerate inclusive and sustainable industrial development (ISID) in Member States. The relevance of ISID as an integrated approach to all three pillars of sustainable development is recognized by the 2030 Agenda for Sustainable Development and the related Sustainable Development Goals (SDGs), which will frame United Nations and country efforts towards sustainable development in the next fifteen years. UNIDO's mandate is fully recognized in SDG-9, which calls to "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". The relevance of ISID, however, applies in greater or lesser extent to all SDGs. Accordingly, the Organization's programmatic focus is structured in four strategic priorities: Creating shared prosperity; Advancing economic competitiveness; Safeguarding the environment; and Strengthening knowledge and institutions.

Each of these programmatic fields of activity contains a number of individual programmes, which are implemented in a holistic manner to achieve effective outcomes and impacts through UNIDO's four enabling functions: (i) technical cooperation; (ii) analytical and research functions and policy advisory services; (iii) normative functions and standards and quality-related activities; and (iv) convening and partnerships for knowledge transfer, networking and industrial cooperation. Such core functions are carried out in Departments/Offices in its Headquarters, Regional Offices and Hubs and Country Offices.

The Department of Agri-Business (PTC/AGR) provides a range of technical cooperation services to assist developing countries add value to the output of their agricultural sector and generate employment opportunities in off-farm activities for rural communities, thereby contributing to increased food security and a sustainable reduction of poverty. The conceptual framework is that of agribusiness value chains: comprehensive analyses offer a rigorous base for the deployment of specialized services targeting the weaker links of the chain: agricultural mechanization, modern processing technologies, packaging of perishable products, the promotion of food safety in the processing and regulatory environment; and interventions to improve competitiveness and productivity.

PTC/AGR drives the Organization's mandate of creating shared prosperity. To this end, it supports initiatives to build human capital and raise total factor productivity through focused vocational training and industrial skills development activities. Based on its experience in post crisis and human security programmes and projects, the Department responds to complex emergencies through activities that contribute to socio-economic security both at national and local level such as restoring and upgrading local productive capacities; building and strengthening institutions; and honing the resilience of the most vulnerable, including youth and women. The Department cooperates closely with other organizational units of UNIDO, and in particular with the Department of Trade, Investment and Innovation in the provision of its services

PROJECT CONTEXT

This assignment concerns undertaking mid-term reviews for two GEF projects:

i) *Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development (GEF ID 5666/UNIDO ID 150052);*
ii) *Transforming the Leather Processing Industries towards Low Emissions and Climate Resilient Development Paths in Pakistan (GEF ID 9585/UNIDO ID 160069)*

Mainstreaming Climate Change Adaptation through Water Resource Management in Leather Industrial Zone Development (GEF ID 5666/UNIDO ID 150052)

Sialkot is recognised as one of the leading export cities of leather-based products in Pakistan. At present 250 tanneries operate in 10 clusters in and around Sialkot city. The tanneries situated in the city emanate pollution and degrade the environment as there is no effluent treatment facility available nor any land fill site.

As the baseline project, in 2004 the Sialkot Chamber of Commerce and Industry and tanners formed the Sialkot Tanners Association (Guarantee) Ltd. (STAGL), a non-profit organization, to develop a dedicated tannery estate—the Sialkot Tannery Zone (STZ). The concept of setting up STZ was to address environmental issues and to ensure pollution-free atmosphere for the people. However, the effects of climate change especially floods and droughts were not taken into consideration while planning the STZ baseline project. Gaps were identified in institutional capacity, STZ infrastructure, community awareness, urban development planning among others.

The overall objectives of the project are to reduce vulnerability and build resilience through

integration of climate change adaptation into urban development and enhance competitiveness and compliance especially in terms of environmental issues.

Transforming the Leather Processing Industries towards Low Emissions and Climate Resilient Development Paths in Pakistan (GEF ID 9585/UNIDO ID 160069)

There are about 170 tanneries in Karachi, Pakistan, almost all of them located in one cluster – sector 7/A of Korangi Industrial Area. The tanning process requires large quantities of water and the Karachi Water and Sewerage Board is not able to supply an adequate quantity of water to the tannery areas. Currently, the treated effluent from the CETP (Central Effluent Treatment Plant) is discharged in a storm water drain, ultimately reaching the Arabian Sea.

Unregulated disposal of solid wastes from leather processing activities and illegal landfill sites without any appropriate measures presents a high risk of groundwater pollution. At present, there is practically no recycling and/or reusing of solid wastes in industrial zones. Obsolete and defective waste air purification Technology and inappropriate production processes mean that leather industrial units emit significant quantities of harmful substances.

The overall objective of the project is to transform the industrial processing zones in Sindh province through the widespread adoption of low-carbon technologies. The project will contribute to strengthening the technical and management operations of the Korangi leather area (KLA) cluster in production processes, cleaner production facilities, sector level facilities (such as the CETP for KLA and proper waste management) and technical and professional capacities will be established and/or optimized to improve tannery efficiency and reduce GHG emissions. If identified during project implementation, feasible add-ons will be initiated to further reduce GHG emissions.

MID-TERM REVIEW: PURPOSE AND OBJECTIVES

Purpose

The purpose of these mid-term reviews are to provide the project management team with feedback on each project's performance to date and to identify early risks to project sustainability, effectiveness, efficiency and progress towards results, including gender mainstreaming.

Objectives

For each project, the Mid-term review's objectives are: to enhance transparency and dialogue between project stakeholders to promote learning for the further development of the project as well as for its replicability and scaling-up of results; to gain insights on the functioning of the project structures and processes; to check to what extent project milestones are being achieved, and if targets are likely to be met and results achieved as planned. This should be based on an assessment of the project's relevance, acceptance, potential risks; project effectiveness, efficiency, as well as potential impact and sustainability. The mid-term review also assesses the design of the M&E framework to ensure efficient monitoring during project implementation and evaluability.

The mid-term review provides evidence-based information that is credible, reliable and useful for the stated MTR purpose. In addition, lessons learnt must be shared within UNIDO to further develop the project approach and to feed into project design and formulation of similar projects, thus enhancing learning within the Organization.

Detailed background information of the project and mid-term review can be found in the terms of reference (TOR).

DUTIES AND RESPONSIBILITIES

The assistant mid-term review consultant will participate in the mid-term review according to the terms of reference and under the leadership of the team leader. S/he will perform the following tasks:

MAIN DUTIES	**Concrete/ measurable Outputs to be achieved**	**Expected duration**	**Location**
Consult with the team leader on the structure and content of the review report and the distribution of writing tasks in accordance with the TOR. **Review** and analyse project documentation and relevant country background information (national policies and strategies, UN strategies and general economic data); in cooperation with the team leader If need be, **recommend adjustments** to the tools as well as sampling technique and ensure full understanding of the application of the tools and the local context Assist in preparation of **draft inception report**	• Tasks distributed • Relevant background information is assessed • Recommendations for methodology provided • Assistance to inception reports is provided	5 days per project (10 days total; ~18% of total duration)	Vienna, Austria
Attend inception briefings for UNIDO HQ (e.g. skype) with the project managers, UNIDO Quality Monitoring		1 day per project (2 days total; ~3.5% of	Vienna, Austria

Division, and other key stakeholders.		total duration)	
Assist in finalization of the **inception reports**	• Inception reports are finalised	2 days per project (4 days total; ~7% of total duration)	Vienna, Austria
Possible testing of review tools	• Tools are tested for deployment	4 days per project (8 days total; ~14% of total duration)	Vienna, Austria
Attend debriefings for UNIDO HQ: Remote presentation (e.g. skype) of preliminary overall findings and recommendations to the stakeholders	• Findings understood	1 day per project (2 days total; ~3.5% of total duration)	Vienna, Austria
Prepare inputs and analysis to the review reports according to TOR and as agreed with the team leader	• Draft review reports prepared	10 days per project (20 days total; ~36% of total duration)	Vienna, Austria
Assist in revising the draft project review reports based on comments from UNIDO Quality Monitoring Division and stakeholders and edit the language and form of the final version according to UNIDO standards.	• Final mid-term review reports submitted	5 days per project (10 days total; ~18% of total duration)	Vienna, Austria
Total		56 days	

REQUIRED COMPETENCIES

Core Values

WE LIVE AND ACT WITH INTEGRITY: work honestly, openly and impartially.

WE SHOW PROFESSIONALISM: work hard and competently in a committed and responsible

manner.

WE RESPECT DIVERSITY: work together effectively, respectfully and inclusively, regardless of our differences in culture and perspective.

Key Competencies

WE FOCUS ON PEOPLE: cooperate to fully reach our potential –and this is true for our colleagues as well as our clients. Emotional intelligence and receptiveness are vital parts of our UNIDO identity.

WE FOCUS ON RESULTS AND RESPONSIBILITIES: focus on planning, organizing and managing our work effectively and efficiently. We are responsible and accountable for achieving our results and meeting our performance standards. This accountability does not end with our colleagues and supervisors, but we also owe it to those we serve and who have trusted us to contribute to a better, safer and healthier world.

WE COMMUNICATE AND EARN TRUST: communicate effectively with one another and build an environment of trust where we can all excel in our work.

WE THINK OUTSIDE THE BOX AND INNOVATE: To stay relevant, we continuously improve, support innovation, share our knowledge and skills, and learn from one another.

MINIMUM ORGANIZATIONAL REQUIREMENTS

Education: Advanced university degree in development studies, economics, business administration, or other discipline relevant to the assignment.

Technical and Functional Experience:

A minimum of 2 years practical experience in technical cooperation projects at the international level in developing countries; experience in the field of monitoring and evaluation including participating in mid-term reviews. Experience in reviewing or evaluating GEF projects desirable. Exposure to the needs, conditions and problems in developing countries.

Languages: Fluency in written and spoken English is required.

Annex 5 - Guidance on integrating gender in mid-term reviews of UNIDO projects and programmes

Introduction

Gender equality is internationally recognized as a goal of development and is fundamental to sustainable growth and poverty reduction. The UNIDO Policy on gender equality and the empowerment of women and its addendum, issued respectively in April 2009 and May 2010 (UNIDO/DGB(M).110 and UNIDO/DGB(M).110/Add.1), provides the overall guidelines for establishing a gender mainstreaming strategy and action plans to guide the process of addressing gender issues in the Organization's industrial development interventions.

According to the UNIDO Policy on gender equality and the empowerment of women*:*

Gender equality *refers to the equal rights, responsibilities and opportunities of women and men and girls and boys. Equality does not suggest that women and men become 'the same' but that women's and men's rights, responsibilities and opportunities do not depend on whether they are born male or female. Gender equality implies that the interests, needs and priorities of both women and men are taken into consideration, recognizing the diversity of different groups of women and men. It is therefore not a 'women's issue'. On the contrary, it concerns and should fully engage both men and women and is a precondition for, and an indicator of sustainable people-centred development.*

Empowerment of women *signifies women gaining power and control over their own lives. It involves awareness-raising, building of self-confidence, expansion of choices, increased access to and control over resources and actions to transform the structures and institutions which reinforce and perpetuate gender discriminations and inequality.*

Gender parity *signifies equal numbers of men and women at all levels of an institution or organization, particularly at senior and decision-making levels.*

The UNIDO projects/programmes can be divided into two categories: 1) those where promotion of gender equality is one of the key aspects of the project/programme; and

2) those where there is limited or no attempted integration of gender.

Mid-term review managers/reviewers should select relevant questions depending on the type of interventions.

Gender responsive questions

The questions below will help mid-term review managers/reviewers to mainstream gender issues in their mid-term review.

Design

- Is the project/programme in line with the UNIDO6 and national policies on gender equality and the empowerment of women?
- Were gender issues identified at the design stage?
- Did the project/programme design adequately consider the gender dimensions in its interventions? If so, how?
- Were adequate resources (e.g., funds, staff time, methodology, experts) allocated to address gender concerns?
- To what extent were the needs and priorities of women, girls, boys and men reflected in the design?
- Was a gender analysis included in a baseline study or needs assessment (if any)?
- If the project/programme is people-centred, were target beneficiaries clearly identified and disaggregated by sex, age, race, ethnicity and socio-economic group?
- If the project/programme promotes gender equality and/or women's empowerment, was gender equality reflected in its objective/s? To what extent are output/outcome indicators gender disaggregated?

Implementation management

- Did project monitoring and self-evaluation collect and analyse gender disaggregated data? Were decisions and recommendations based on the analyses? If so, how?
- Were gender concerns reflected in the criteria to select beneficiaries? If so, how?
- How gender-balanced was the composition of the project management team, the Steering Committee, experts and consultants and the beneficiaries?
- If the project/programme promotes gender equality and/or women's empowerment, did the project/programme monitor, assess and report on its gender related objective/s?

Results

- Have or will women and men benefited equally from the project's interventions? Do the results affect women and men differently? If so, why and how? How are the results likely to affect gender relations (e.g., division of labour, decision making authority)?
- In the case of a project/programme with gender related objective/s, to what extent has the project/programme achieved the objective/s? To what extent has the project/programme reduced gender disparities and enhanced women's empowerment?

Annex 6 - Checklist for mid-term review report quality

Project Title:
UNIDO ERP ID/Project No.:
Review team leader:
Quality review done by:

Report quality criteria	UNIDO ODG/SPQ/QUA assessment notes	Rating
A. Was the report well-structured and properly written? (Clear language, correct grammar, clear and logical structure)		
B. Was the review objective clearly stated and the methodology appropriately defined?		
C. Did the report present an assessment of progress (or lack thereof) towards achieving outcomes and project objectives?		
D. Was the report consistent with the ToR and was the evidence complete and convincing?		
E. Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible? (Including assessment of assumptions, risks and impact drivers)		
F. Did the evidence presented support the lessons and recommendations? Are these directly based on findings?		
G. Did the report include the review of actual project costs (total, per activity, per source)?		
H. Did the report include an assessment of the quality of both the M&E plan at entry and the system used during the implementation? Was the M&E sufficiently budgeted for during preparation and properly funded during implementation?		
I. Quality of the lessons thus far: were lessons readily applicable in the context of MTR? Did they suggest new/additional action?		

J. Quality of the recommendations: did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can these be immediately implemented/acted upon with current resources?		
K. Are the main cross-cutting issues, such as gender, human rights and environment (as applicable to the project), appropriately covered?		
L. Was the report delivered in a timely manner? (Observance of deadlines)		

Annex 7 - GEF minimum requirements for M&E[7]

Minimum requirement 1: Project design of M&E

All projects will include a concrete and fully budgeted monitoring and review plan by the time of work program entry for full-sized projects and CEO approval for medium-sized projects. This monitoring and review plan will contain as a minimum:

- SMART indicators for project implementation, or, if no indicators are identified, an alternative plan for monitoring that will deliver reliable and valid information to management;
- SMART indicators for results (outcomes and, if applicable, impacts), and, where appropriate, indicators identified at the corporate level;
- Baseline for the project, with a description of the problem to be addressed, with indicator data, or, if major baseline indicators are not identified, an alternative plan for addressing this within one year of implementation;
- Identification of evaluations and reviews that will be undertaken, such as mid-term reviews or evaluation of activities; and
- Organizational set-up and budgets for monitoring and evaluation.

Minimum requirement 2: Application of project M&E

Project monitoring and supervision will include implementation of the M&E plan, comprising:

- SMART indicators for implementation are actively used, or if not, a reasonable explanation is provided;
- SMART indicators for results are actively used, or if not, a reasonable explanation is provided;
- The baseline for the project is fully established and data compiled to review progress reviews, and reviews/evaluations are undertaken as planned; and
- The organizational set-up for M&E is operational and budgets are spent as planned.

Annex 8: Detailed questions to assess evaluation criteria

#	Evaluation criteria
A	Project design assessment
1	Project design The project design was adequate to address the problems at hand? Is the project consistent with the Country's priorities, in the work plan of the lead national counterpart? Does it meet the needs of the target group? Is it consistent with UNIDO's Inclusive and Sustainable Industrial Development? Does it adequately reflect lessons learnt from past projects? Is it in line with the donor's priorities and policies? Is the applied project approach sound and appropriate? Is the design technically feasible and based on best practices? Does UNIDO have in-house technical expertise and experience for this type of intervention? To what extent the project design (in terms of funding, institutional arrangement, implementation arrangements…) as foreseen in the project document still valid and relevant? Does the project document include a M&E plan? Does the M&E plan specify what, who and how frequent monitoring, review, evaluations and data collection will take place? Does it allocate budget for each exercise? Is the M&E budget adequately allocated (see a M&E sample) and consistent with the log frame (especially indicators and sources of verification)? Risk management: Are critical risks related to financial, social-political, institutional, environmental and implementation aspects identified with specific risk ratings? Are their mitigation measures identified? Where possible, are the mitigation measures included in project activities/outputs and monitored under the M&E plan?
2	Project results framework/log frame Expected results: Is the expected result-chain (impact, outcomes and outputs) clear and logical? Does impact describe a desired long-term benefit to a society or community (not as a mean or process), do outcomes describe change in target group's behaviour/performance or system/institutional performance, do outputs describe deliverables that project will produce to achieve outcomes? Are the expected results realistic, measurable and not a reformulation or summary of lower level results? Do outputs plus assumptions lead to outcomes, do outcomes plus assumptions lead to impact? Can all outputs be delivered by the project, are outcomes outside UNIDO's control but within its influence? Indicators: Do indicators describe and specify expected results (impact, outcomes and outputs) in terms of quantity, quality and time? Do indicators change at each level of results and independent from indicators at higher and lower levels? Do indicators not restate expected results and not cause them? Are indicators necessary and sufficient and do they provide enough triangulation (cross-checking)? Are they indicators sex-disaggregated, if applicable? Sources of verification: Are the sources of verification/data able to verify status of indicators, are they cost-effective and reliable? Are the sources of verification/data able to verify status of output and outcome indicators before project completion?
B	Project performance and progress towards results

1	Relevance So far, how relevant is the project to the: target groups' needs development priorities of the country (national poverty reduction strategy, sector development strategy, etc.) UNIDO comparative advantages and project's donor policies and priorities Are appropriate beneficiaries' groups being targeted by the project? Are the original project objectives (expected results) still valid and pertinent to the target groups? If not, have then been revised? Are the revised objectives still valid in today context?
2	Effectiveness and progress towards expected results SO FAR, what are the main results (mainly outputs and if possible, outcomes) of the project? What have been the quantifiable results of the project to-date? To what extent did the project achieve their objectives (outputs and outcomes), against the original/revised target(s)? Please provide a brief analysis on the project progress in achieving the objectives. What is the quality of the results? How do the stakeholders perceive them? What is the feedback of the beneficiaries and the stakeholders on the project effectiveness? Please provide evidence/examples from the project to back up the statements. Were the right target groups reached? Can the project attain it objectives and utilize the resources assigned for this within the remaining period?
3	Efficiency Comment on how economically the project resources/inputs (in terms of funding, expertise, time…) are being used to produce results (outputs and outcomes) SO FAR? Comment on the quality of expertise/technical assistance provided; whether the expected results were achieved within the original budget, if no please explain why. How timely is the project in producing outputs, initial outcomes and delivering inputs (with least delays)? Based on the work plan, comment on the delay or acceleration of implementation period of the project. Were the project's activities in line with the schedule of activities as defined by the project team and annual work plans? Were the disbursements and project expenditures in line with budgets? Have the inputs from the donor, UNIDO and Government/counterpart been provided as planned, and were they adequate to meet the requirements? Is the project cost-effective compared to similar interventions? Could the project have produced more with the same resources, or the same with less money or with less delay? Wherever possible, the MTE team should also compare the costs incurred and the time taken to achieve outcomes with that for similar projects?

4	Gender mainstreaming Did the project/programme design adequately consider the gender dimensions in its interventions? If so, was gender considered at the level of project outcome, output or activity? Was a gender analysis included in a baseline study or needs assessment (if any)? Were there gender-related project indicators? How gender-balanced was the composition of the project management team, the Steering Committee, experts and consultants and the beneficiaries? Have women and men benefited equally from the project's interventions? Do the results affect women and men differently? If so, why and how? How are the results likely to affect gender relations (e.g., division of labour, decision-making authority)? Are women/gender-focused groups, associations or gender units in partner organizations consulted and/or included in the project? To what extent were socioeconomic benefits delivered by the project at the national and local levels, including consideration of gender dimensions? Are environmental aspect related to the protection of the environment and/or adaptation to climate change taken into account? Are social issues addressed to ensure inclusiveness of the project beneficiaries?
5	Cross-cutting aspects Are environmental aspect related to the protection of the environment and/or adaptation to climate change taken into account? Are social issues addressed to ensure inclusiveness of the project beneficiaries?
C	Project implementation management
1	Project management Review overall effectiveness of project management as outlined in the Project Document. Have changes been made and are they effective? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement. Review whether the national management and overall coordination mechanisms have been efficient and effective? Did each partner have assigned roles and responsibilities from the beginning? Did each partner fulfil its role and responsibilities (e.g. providing strategic support, monitoring and reviewing performance, allocating funds, providing technical support, following up agreed/corrective actions)? The UNIDO HQ- based management, coordination, monitoring, quality control and technical inputs have been efficient, timely and effective (e.g. problems identified timely and accurately; quality support provided timely and effectively; right staffing levels, continuity, skill mix and frequency of field visits

2	Results-based work planning, M&E, reporting Results-based work planning Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved. Are there any annual work plans? Are work-planning processes results-based? Has the log frame been used to determine the annual work plan (including key activities and milestone)? If not, suggest ways to re-orientate work planning to focus on results? Examine the use of the project's results framework/ log frame as a management tool and review any changes made to it since project start. Results-based M&E Verify whether an M&E system is in place and facilitated timely tracking of progress toward project objectives by collecting information on selected indicators continually throughout the project implementation period; annual project reports are complete and accurate, with well-justified ratings; the information provided by the M&E system is used to improve performance and to adapt to changing needs; and the project has an M&E system in place with proper training for parties responsible for M&E activities to ensure that data will continue to be collected and used after project completion. Are monitoring and self- evaluation carried out effectively, based on indicators for outputs, outcomes and impact in the log frame? Is any project steering or advisory mechanism put in place? Do performance monitoring and reviews take place regularly? Review the monitoring tool currently being used: Do they provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive? Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively? How has the log frame been used for Monitoring and Evaluation purposes (developing M&E plan, setting M&E system, determining baseline and targets, annual implementation review by the Project Advisory Board…) to monitor progress towards expected outputs and outcomes? Do project team and manager make decisions and corrective actions based on analysis from M&E system and based on results achieved? Is information on project performance and results achievement being presented to the Project Advisory Board to make decisions and corrective actions? Do the Project team and managers and PAB regularly ask for performance and results information?

	How well have risks outlined the project document and in the log frame been monitored and managed? How often have risks been reviewed and updated? Has a risk management mechanism been put in place? <u>Results-based reporting</u> Assess how adaptive management changes have been reported by the project management and shared with the PAB. Assess how well the Project Team and partners undertake and fulfil donor and UNIDO reporting requirements (i.e. how have they addressed delays or poor performance, if applicable?) Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.
3	<u>Financial management and co-financing</u> Review the financial management of the project, with specific reference to the cost-effectiveness of interventions. Did the project have appropriate financial controls, including reporting and planning, that allowed management to make informed decisions regarding the budget and allowed for timely flow of funds? Was there due diligence in the management of funds and financial audits? Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions. Did promised co-financing materialize? Is co-financing being used strategically to help the objectives of the project? Is the Project Team meeting with all co- financing partners regularly in order to align financing priorities and annual work plans?
4	<u>Stakeholder engagement and communication</u> <u>Stakeholder engagement</u> Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders? Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation? Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives? <u>Communication</u> Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results? Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public

	awareness campaigns?) For reporting purposes, write one half-page paragraph that summarizes the project's progress towards results in terms of contribution to sustainable development benefits, as well as global environmental benefits
5	Sustainability of benefits The MTE should validate whether the risks identified in the Project Document and progress reports or implementations reviews are the most important and assess the following risks to sustainability: *Financial risks:* What is the likelihood of financial and economic resources not being available once the project ends? (Such resources can be from multiple sources, such as the public and private sectors or income-generating activities; these can also include trends that indicate the likelihood that, in future, there will be adequate financial resources for sustaining project outcomes.)? *Socio-political risks:* Are there any social or political risks that may jeopardize the sustainability of project outcomes? What is the risk that the level of stakeholder ownership and engagement (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that project benefits continue to flow? Is there sufficient public/stakeholder awareness in support of the project's long-term objectives? *Institutional framework and governance risks:* Do the legal frameworks, policies, and governance structures and processes within which the project operates pose risks that may jeopardize the sustainability of project benefits? Are requisite systems for accountability and transparency and required technical know-how in place? *Environmental risks:* Are there any environmental risks that may jeopardize the sustainability of project outcomes? Are there any project outputs or higher-level results that are likely to have adverse environmental impacts, which, in turn, might affect the sustainability of project benefits?
D	Performance of partners

1	<u>UNIDO</u> *Project team in the field* Has the project team discharged its project implementation and management functions adequately (in terms of work planning and executing, monitoring and reviewing performance, allocating funds, and following up agreed/corrective actions)? Has an effective M&E system been put in place, was it closely link with the log frame, does it generate information on performance and results which is useful for project managers and PAB to make critical decisions? Has the management of flow of funds and procurement been suitable for ensuring timely implementation? How proactive and prompt the project team was to ensure timely implementation of recommendations from experts of support missions and HQ-based project managers? *UNIDO HQ-based management* Timely recruitment of project staff
	Project modifications following changes in context or after the Mid-Term Review Follow-up to address implementation bottlenecks Role of UNIDO country presence (if applicable) supporting the project Engagement in policy dialogue to ensure up-scaling of innovations Coordination function Exit strategy, planned together with the government
2	<u>National counterparts</u> Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation? Has the government assumed ownership and fulfilled responsibility for the project? Were counterpart resources (funds and staffing) provided as planned in the project design? Did the government ensure suitable coordination of the various departments involved in the project implementation?
3	<u>Donor</u> How active has the donor been in reviewing the project performance and implementation? How proactive and prompt has the donor been in providing necessary support to the project implementation (in terms of decisions on fund installment, approval/rejection of request from project team…)? Does the donor ask for information related to project performance and results? To what extent does the donor make decisions based on performance and results information?

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