UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

SUSTAINABLE DEVELOPMENT GOALS

Project Implementation Report

(1 July 2021 – 30 June 2022)

Project Title:	Low-carbon development for productivity and climate change mitigation through the Transfer of Environmentally Sound Technology (TEST) methodology
GEF ID:	9640
UNIDO ID:	150275
GEF Replenishment Cycle:	*GEF-6*
Country(ies):	*Cambodia*
Region:	*SA - Southeast Asia*
GEF Focal Area:	*Climate Change Mitigation (CCM)*
Integrated Approach Pilot (IAP) Programs[1]:	*NA*
Stand-alone / Child Project:	*Stand-alone*
Implementing Department/Division:	*ENV / IRE*
Co-Implementing Agency:	*NA*
Executing Agency(ies):	*Ministry of Industry, Science, Technology and Innovation (MISTI) for Outputs 1.1-1.3, and Ministry of Environment (MoE) for Output 1.4*
Project Type:	*Medium-Sized Project (MSP)*
Project Duration:	*48 months*
Extension(s):	*24 months*
GEF Project Financing:	1,780,822
Agency Fee:	169,178
Co-financing Amount:	12,117,026
Date of CEO Endorsement/Approval:	9/11/2017
UNIDO Approval Date:	1/25/2018
Actual Implementation Start:	2/1/2018
Cumulative disbursement as of 30 June 2022:	1,281,977 USD (72% of released budget)
Mid-term Review (MTR) Date:	**Internal Review (July 2021)**
Original Project Completion Date:	12/31/2021
Project Completion Date as reported in FY21:	12/31/2023
Current SAP Completion Date:	12/31/2023

[1] Only for **GEF-6 projects**, if applicable

Expected Project Completion Date:	6/30/2023
Expected Terminal Evaluation (TE) Date:	10/31/2023
Expected Financial Closure Date:	3/31/2024
UNIDO Project Manager[2]:	*SINGH Rana Pratap*

I. Brief description of project and status overview

Project Objective

The project is focused on implementation of the Transfer of Environmentally Sound (TEST) methodology in demonstration companies. The project development objective is reducing the long-term risk of climate change through the transfer of enviornmentally sound technology in Cambodian Industry.

The project core indicator is to reduce avoidable Green House Gas emission in Cambodian Industry.

Project Core Indicators		Expected at Endorsement/Approval stage
6	Green House Gas Emission mitigated	510,852 metric tons directly avoided. 180,000 – 450,000 metric tons indirectly avoided

Baseline

The project "Low Carbon Development for Productivity and Climate Change Mitigation through the Transfer of Environmentally Sound Technology (TEST) Methodology" is jointly implemented by the United Nations Industrial Development Organization (UNIDO), the Ministry of Industry, Science, Technology and Innovation(MISTI) and the Ministry of Environment (MoE) of Cambodia. The 4-year project, started in 2018 and was scheduled to end by December 2021. However, due to COVID19 pandemic, the project has been extended for another 2 years and it is expected to end by December 2023; it is funded by GEF 6. The project is implemented in coordination with UNIDO's Programme for Country Partnership (PCP) for Cambodia.

The project aims to reduce the long-term risks of climate change through the transfer of environmentally sound technologies in Cambodian industries. The project geographically targets Phnom Penh and its surrounding areas, Battambang, Preah Sihanouk, and Siem Reap provinces covering significant environmental and biodiversity hot spots including the Mekong River Basin that boast the most concentrated biodiversity per hectare of any river in the world, the Tonle Sap Great lake which is the largest freshwater lake in Southeast Asia and most important fish source designated as an ecological hot spot and UNESCO biosphere since 1997, and the Cambodian section of the Gulf of Thailand consisting of estuaries, bays, mangroves, and coral reefs.

The project aims to implement the TEST integrated approach in two target sectors: garment industry including laundry, knitting, dyeing, printing and footwear; and food and beverage. Implementation of the TEST integrated approach will help companies to enhance their economic, social and environmental performance by improving productivity, reducing resource and energy use, enhancing working condition and occupational health and safety, while decreasing the amount of waste discharges (GHGs emission, wastewater, and wastewater) both in term of quantity and toxicities.

The project combines policy and advocacy elements with technology transfer through strengthening of policies; capacity building on resource efficiency; promotion of incentive; training and technical assistance

[2] Person responsible for report content

to scale up TEST methodology through demonstration projects in industry; and awareness raising focused on public and private sectors. The project has 4 outputs:

- Output 1.1.1 Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource efficient operations.
- Output 1.1.2 Incentives established to encourage industries improve the economic, social and environmental dimensions of their activities.
- Output 1.1.3 TEST integrated approach implemented at the national level through trainings and demonstration in selected enterprises.
- Output 1.1.4 Awareness increased with focus on resource efficiency and dissemination of the lessons learnt during the project.

Cambodia has benefited from the national economic development over the last five years before the project was approved, averaging 7.2% from 2012 to 2016. This economic growth has led to an increase of industrial activities which has significantly contributed to the deterioration of the environment, including water pollution, solid waste and GHG emissions. Garment factories have been viewed, along with brick kilns, rice milling and rubber processing, as significant contributors to environmental pollution in Cambodia. The population growth rate of Cambodia is one of the fastest in the region at 1.6 % in 2016. This increase has put tremendous pressure on the environment. As demand for energy increases, so do GHG emissions, in particular CO2. On the other hand, many factories are located along the main water bodies and discharge their wastewater either directly or indirectly via sewage systems into them. These practices have polluted the water bodies impacting the environmental ecosystem as well as social and economic wellbeing of millions of people whose livelihoods depend on the river resources.

The garment and footwear industry are the most important manufacturing sector in Cambodia, accounting for 11% of the overall GDP with 80% of it being exported reaching a volume of USD 6.8 billion in 2015. Overall, Cambodia hosts around 559 known producing factories, which are mainly subsidiaries of larger parent companies based in other parts of Asia. Additionally, so-called cottage factories exist, which are not formally registered but are subcontracted entities to the formal sector during peak season. Food and beverage processing represent 45% of the total 70,000 companies in the manufacturing sectors according to the Industrial Development Policy (IDP) (2015-2025) consisting mostly of micro, small and medium enterprises (MSME). The production process efficiency of both garment production and food and beverage factories are generally low, resulting in high operational costs and avoidable GHG emissions. The main reasons for this inefficiency are the use of old electrical equipment, inadequate maintenance and insulations, as well as inadequate management processes.

According to a baseline study to evaluate the potential GHG reduction in the textile and food and beverage industry during the PPG, there is a big potential to improve the efficiency of the production process with an average of over 20% for the garment industry and over 52% for food and beverage industries. Ice making factories are using the most inefficient processes mainly due to old and inefficient equipment. The majority of ice making factories are still using old types of refrigerant (R22), a potent GHG and ozone depletion agent. The most common inefficient processes include poor maintenance of heat exchanger equipment (e.g. cooling tower and condensers), inefficient lighting system, old and inefficient use of air compressor/motor/pumps, inefficient cooling system for working environment, incomplete insulation of piping system, usage of low efficiency of boilers (<30%), no heat or condensate recovery, using traditional electricity transformer and inefficient cooling agent (R22).

The project aims to reduce the avoidable generation of wastes which include GHGs, solid waste and wastewater in the manufacturing industry by implementing the TEST program. The project targets to reduce 510,852 tCO_2eq during the project life cycle.

Please refer to the explanatory note at the end of the document and select corresponding ratings for the current reporting period, i.e. FY22. Please also provide a short justification for the selected ratings for FY22.

In view of the GEF Secretariat's intent to start following the ability of projects to adopt the concept of adaptive management[3], Agencies are expected to closely monitor changes that occur from year to year and demonstrate that they are not simply implementing plans but modifying them in response to developments and circumstances or understanding. In order to facilitate with this assessment, please introduce the ratings as reported in the previous reporting cycle, i.e. FY21, in the last column.

Overall Ratings[4]	**FY22**	**FY21**
Global Environmental Objectives **(GEOs)** / Development Objectives **(DOs)** Rating	*Satisfactory (S)*	*Satisfactory (S)*
Objectives of the project can be achieved as planned and with the GEF Cycle.		
Implementation Progress **(IP)** Rating	*Satisfactory (S)*	*Satisfactory (S)*
Implementation progress as output indicators is on right tracks with the permitted extended time.		
Overall **Risk** Rating	*Low Risk (L)*	*Low Risk (L)*
The risk is low as everything is on right track.		

II. Targeted results and progress to-date

Please describe the progress made in achieving the outputs against key performance indicator's targets in the project's **M&E Plan/Log-Frame at the time of CEO Endorsement/Approval**. Please expand the table as needed.

Project Strategy	**KPIs/Indicators**	**Baseline**	**Target level**	**Progress in FY22**
Component 1 – National capacity building, transfer of low carbon technologies and awareness raising to reduce risks of climate change				
Outcome 1: Knowledge and technological capacity is enhanced in Cambodia to reduce industrial polluted discharges and greenhouse gas (GHG) emissions				
Output 1.1: Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource efficient operations	Number of Adopted policy	0	1	1 adopted policy of Strategy, Action Plan of Resource Efficiency, and Cleaner Production (RECP) 2021-2030 by Ministry of Industry, Science, Technology and Innovation (MISTI). (Annex 1: Adopted Policy)
	Number of Local TEST Guideline developed	0	1	2: 1 Local TEST Guideline and 1 MFCA Guideline were developed by localizing the context and also by translating from English to Cambodian Version, which

[3] Adaptive management in the context of an intentional approach to decision-making and adjustments in response to new available information, evidence gathered from monitoring, evaluation or research, and experience acquired from implementation, to ensure that the goals of the activity are being reached efficiently

[4] Please refer to the explanatory note at the end of the document and assure that the indicated ratings correspond to the narrative of the report

				can be used for the absorption of technical knowledge at factories/SMEs level, or transferring the TEST methodology at national and sub-national levels. (Annex 2: 1 Translated TEST Guideline, and 1 Translated MFCA Guideline)
Output 1.2: Incentives established to encourage industries to improve the economic, social and environmental dimensions of their activities	Number of Adopted GIA guideline	0	1	1 adopted guideline (Adoption of Green Industrial Award Guideline (GIA) by Ministry of Industry, Science, Technology and Innovation (MISTI) for promoting Green Industrial Awards in Cambodia) (Annex 3: Adopted GIA Guideline)
	Number of Green Industrial Award Event	0	2	1 Green Industrial Award Event by December, 2021. The event gave the green industrial award to 21 factories/SMEs including 5 for Gold, 5 for silver and 11 among the interests and applicants of 50 factories/SMEs. (https://xfiles.unido.org/index.php/s/sPzHqRsz43qEwtt ; Annex 4: Refer to annual report 2021)
	Number of Technical visits for conducting feasibility study on Green Industrial Award Program and Eco-Industrial Park Concept/Development in the region	0	1	The concept of trip has been identified with counterparts, advised by UNIDO Country Office, and budget has been identified and planned. It will be done by Semester 2 of 2022. (Annex 5: Project Mission Report)
Output 1.3: TEST integrated approach implemented at the national level through trainings and demonstration in selected enterprises	Number of government officials attending the TEST, RECP, EMS, EMA, Laboratory Trainings and others	31	30 (30% women)	37 more government officials/civil servants were trained on EMS, EMA and Industrial Waste Water Monitoring. (Annex 6: Trained Government Officers)
	Number of Factories/SMEs to join the project	35	50	20 factories/SMEs of third batch were approved to join the project, and it reached up to 55 factories/SMEs compared to targeted 50 factories/SMEs in the project document. (Annex 7: List of third batch factories/SMEs)
	TEST Training for factories and SMEs in the project	2	3	(Third TEST training for third batch will be implemented by Q3 of 2022)
	Number of RECP Assessments for Factories and SMEs in the project	15	50	20 factories/SMEs were conducted for RECP Assessments supported by MISTI Team (https://xfiles.unido.org/index.php/s/oo4knnc2tSM2tHt)
	Number of Environmental Management System (EMS) training	0	3	1 EMS training were conducted to support the factories of first batch (15 factories). The training was conducted from September 01-04, with 50 participants (30% are women)
	Number of Environmental Management Accounting (EMA) training	0	3	1 EMA training were conducted to support the factories of first batch (15 factories). The training was conducted from September 22-26, with 30 participants (31% are women)
	Number of Developed EMS Roadmaps	0	50	12/15 EMS roadmaps are developing for the first batch factories/SMEs (https://xfiles.unido.org/index.php/s/wf39BFm45F5b2Lz)
	Number of developed EMA roadmaps	0	50	12/15 EMA roadmaps are developing for the first batch factories/SMEs (https://xfiles.unido.org/index.php/s/f89gnX4HcF2QXiE)
	Number of trainings on efficient and safe operating boiler System	1	1	(There is the training by MISTI Team to the factories/SMEs inside and outside the projects by using the capacity and materials built and developed during the first training)

				(By Department of Techniques and Industrial Safety, MISTI)
	Number of chemical management training	0	1	ToR of consultant has been draft, procured, evaluated, and now the consultant is on board waiting for the training.
	Number of bankable document development training	0	1	ToR of consultant has been draft, procured, evaluated, and now the consultant is on board waiting for the training. The training is expected to be delivered by the W1-2, September, 2022.
	Number of Bankable Documents that have been developed for promoting green and clean technology investment by working with local banks and/or Energy Service Companies (ESCOs)	0	5	5 Categories of Green and Clean Technologies have been identified, and are working with on-board consultant and local banks and ESCOs for local staff capacity building, and then to develop the bankable documents for those five technologies

Output 1.4: Awareness increased with focus on resource efficiency and dissemination of the lessons learnt during the project	Number of awareness raising events related to resource efficiency and cleaner production, low carbon development, climate change mitigation, circular economy and others	0	8	6 awareness raising events were conducted with 290 participants under the direction of the Department of Climate Change (DoCC) of the Ministry of Environment (MoE) and have covered different topics such as:
				• One event on "the Implementation of TEST Methodology and Climate Change Mitigation in Industry sector to Key Stakeholders" with 55 Participants (30% were women);
				• Another 4 Awareness Raising and Lesson Learned Dissemination Events with Focus on Resource Efficiency in Cambodia:
				  • First event with 20 Participants (25% were women);
				  • Second event with 31 Participants (32% were women);
				  • Third event with 71 Participants (38% were women);
				  • Fourth event with 57 Participants (36% were women);
				• One annual workshop will be conducted by December 28, 2021. There were 57 participants (22% are women). The event focuses on the achievements of output 1.1-1.4, and also the launch of long-term low carbon strategy.

	Number of Training of TEST Methodology into Local University	0	0	1 Training on Integration of TEST Methodology into University Curriculum Integration was conducted from June 28 to July 2, 2021. 75 participants (women 20%) from 3 main universities have joined including Institute of Technology of Cambodia (ITC), Royal University of Phnom Penh (RUPP) and National University of Battambang (NUB).
	Number of Curriculums/Subjects have been integrated with TEST Methodology	0	0	3 programs at ITC were followed up in order to identified and supported in order to follow up on the integration of TEST methodologies. Those programs are (i) industrial engineering, (ii) mechanical engineering, and (iii) food and chemical engineering.
	Number of case studies developed from the TEST project	0	0	5 cases studies were developed, broadcasted and circulated including (i) optimized compressed air usage in garment industry, (ii) increase the boiler efficiency by good operational practice in food and beverage industries, (iii) opportunities of installing solar PV System in Garment Industries, (iv) optimizing in cooling equipment for garment industries in Cambodia, and (v) optimizing food processing equipment in Food and Beverage industries in Cambodia. (https://xfiles.unido.org/index.php/s/HGXbFaa4SfZ3W4f)
	Number of Standard Operating Procedure (SOP) to	0	0	1 SOP has been produced and circulated to the 5 trained factories on industrial wastewater monitoring.

	support to laboratory to reach international/certification standard			This SOP will support the laboratory to international/certification standard ISO 17025. (https://xfiles.unido.org/index.php/s/iJziLm4iH5XzbYm)
Component 2 – Monitoring and evaluation				
Outcome 2: Project achieves objective on time through effective monitoring and evaluation				
Output 1.1: Periodic monitoring and terminal evaluation of the project implementation completed	Number of reports on project progress and corrective measures taken	11 (Annual reports 2018, 2019 and 2020; first, second and third PSC reports; IRPF 2019 and 2020; PIR 2018-19, 2019-20 and 2020-21)	Regular	3 Reports (Annual Report 2021, and Preparation for fourth PSC; IRPF 2021, PIR 2021-22) (Fourth PSC will be conducted in early of August 2022)
	Number of missions from project manager in order to monitor the project progress in the field	1 (First mission in 2018, second mission in 2020 was cancelled due to Covid-19, and replaced by Online meetings)	As necessary	1 project mission of project manager from UNIDO HQ to the field from June 20-30, 2022 in order to monitor the project progress, and to encourage the counterparts and stakeholders to finish the project on time, and to achieve all outcome and outputs indicators. (1 project mission report was delivered as attached)

III. Project Risk Management

1. Please indicate the overall project-level risks and the related risk management measures: (i) as identified in the CEO Endorsement document, and (ii) progress to-date. Please expand the table as needed.

Describe in tabular form the risks observed and priority mitigation activities undertaken during the reporting period in line with the project document. Note that risks, risk level and mitigations measures should be consistent with the ones identified in the CEO Endorsement/Approval document. Please also consider the project's ability to adopt the adaptive management approach in remediating any of the risks that had been sub-optimally rated (H, S) in the previous reporting cycle.

	(i) Risks at CEO stage	(i) Risk level FY 21	(i) Risk level FY 22	(i) Mitigation measures	(ii) Progress to-date	New defined risk[5]
1	Technical risk: low absorption capacity of trainees on technical, economic opportunities for adopting sound environmental technologies	Low risk (L)	Low risk (L)	To mitigate the risk, two layers of training approach were used. Initially, the project will employ the skilled and competence experts (local and international) to provide trainings and then hand-on guiding during the assessment and implementation. The participatory approach will be used to ensure maximum absorption. As the project progresses, the participants trained under the project can offer their acquired expertise to participating enterprises. The training were also provided to the participating company's staff, and their participation has been ensured during the assessment.	Regular and effective communications have been performed. Not only from the project counterparts as implementers, but also from project beneficiaries such as factories/SMEs, and also external stakeholders to the factories/SMEs such as buyers/markets (Brands in Garment, Textile, Footwear and Travel Bags as buyers) such as NIKE, PUMA, H&M, GAP, UNIQLO, VF, …. And EU Delegation, GIZ and other developers as market representatives. As the results, factories and buyers encourage the staffs/compliance officers in joining the trainings in order to allow the green transformation to be achievable at the factories/SMEs level.	☐

[5] New risk added in reporting period. Check only if applicable.

					For the international consultants or experts, continuous improvements have been applied in order to improve the training performance, also for efficient and effective knowledge transfers. Also, hands-on trainings have been engaged by engaging with findings, reports and experiences from the field. Also, interact with interactive/trainee-based inputs/trainee centre for the trainings. National consultants and Counterpart Staffs have been engaged in continuous development by training, doing, retraining and redoing on project related activities. The recent project manager mission also boosts the political wills for supporting the national and local staff capacity buildings.	
2	Institutional risk: Lack of coordination between the key ministries, industries and other stakeholders could lead to slow response of some key actors that may hinder the project implementation.	Low risk (L)	Low risk (L)	The risk of lack of coordination is mitigated through the Project Steering Committee (PSC) mechanism. The PSC, which is composed of representative from ministries, business associations/federations representing participating companies, and UNIDO will establish the institutional linkages among the stakeholders. The main Executing Entity (MISTI) will consult with major stakeholders to ensure their involvement and ownership of the project. Regular communication between, close collabroation and coordination among Executing agencies and UNIDO play a crucial role in mitigating the issues.	After the third PSC meeting was conducted on July 13 2021, and also other regular meetings and coordination between UNIDO project manager, UNIDO PMU, counterparts (MISTI and MoE), more commitment and engagements have been shown and as the results, smooth project implementations have been achieved.	☐
3	Social risk: Reluctance of the industrial owners to mitigate climate change considering it to be a burden instead of an opportunity	Modest risk (M)	Low risk (L)	The risk is mitigated through effective awareness raising program targeting prospect participating factories. A clear expectation and benefits in term of economic, social, and environmental of implementing TEST integrated approach will be communicated to the target factories. Lessons learned and experience gained from the initial UNIDO-led project were taken into consideration when designing the awareness programme. The project will work closely with buyers (garment) and other partners such Better Factory Cambodia (ILO-BFC) to ensure full collaboration and commitment of the participating factories.	With supports from brands (as buyers in GTFT sectors as above mentioning), and also other UN Agency such as ILO, the recruitments of third batch factories are at better processes. If clarity and understanding of the project scope, process, activities, outputs and outcomes have not been achieved, the proposed meetings and explanations have been done from time to time in order to increase the effective communications.	☐
4	Regulatory risk: the proposed regulatory framework is not adopted and enforced.	Modest risk (M)	Low risk (L)	The risk could be mitigated through early engagement with decision makers on the project preparation and implementation under output 1.	The strategy and action plan of resource efficiency and cleaner production (RECP) 2021-2030, and Green Industrial Award (GIA) guideline have been adopted by Ministry of Industry, Science, technology and Innovation ((MISTI). Policy and guideline have been used and referenced. More systematized approaches have been encouraged to MISTI in order to achieve higher results with the national outreaches.	☐
5	Political risk: political instability during elections might negatively affect the implementation of the project and the level of political commitment	Low risk (L)	Low risk (L)	The risk will be mitigated through establishment of an agreed upon work plan. The capacity building within the government will partly compensate the possible temporary lack of high-level political support. In addition, an active consultation, awareness and outreach program will develop a broader base of understanding, consensus and support	The risk has been mitigated through the annual work plan with anticipation of the communal election (grassroot election). As the result, there is no affect from this election to the project. Also, for the next national election in July 2023, the counterparts have been considered and planned to finish all	☐

				within other ministries and stakeholders, increasing the level of political support. The advance planning of key project activities would smooth the execution process during the said period.	activities before this election. The expected date of finishing all project activities is June 30, 2023.	
	Climate risk: natural disasters in the form of floods may interrupt the project's progress during the rainy season	Low risk (L)	Low risk (L)	The risk will be mitigated through proper planning and time management like implementing the approaches during the dry season for industries in zone potentially exposed to flooding or natural hazards. The project target zones are not prone to flooding.	The project has not encountered such risk during the reporting period.	

2. If the project received a sub-optimal risk rating (H, S) in the previous reporting period, please state the actions taken since then to mitigate the relevant risks and improve the related risk rating. Please also elaborate on reasons that may have impeded any of the sub-optimal risk ratings from improving in the current reporting cycle; please indicate actions planned for the next reporting cycle to remediate this.

N/A

3. Please indicate any implication of the **COVID-19** pandemic on the progress of the project.

As for Covid-19 pandemic cases, some trainings were conducted online, and also Covid-19 procedures have been applied for national and international travels and works. Besides, Cambodia has the highest vaccination rates, and as the results government has released the covid-19 ban, and to resume the business as usual. For Cambodia case[6], Covid-19 has slightly delayed the activity in 2021, but get much better in 2022. It will not affect the project implementation in 2022 and 2023. As expectation, the project can be finished on time.

4. Please clarify if the project is facing delays and is expected to request an **extension**.

As with the current project progress, most of activities were done, and also outputs and outcome indicators are achieved. The project is expected to finish on time (To finish all activities by end of June 2023, and to close the project by December 2023).

5. Please provide the **main findings and recommendations of completed MTR**, and elaborate on any actions taken towards the recommendations included in the report.

The project has undergone the self-evaluation in 2021. After self-evaluation, strategic approaches by Project Manager have been conducted in order to speed up the activities, and to assure to achieve the project outputs and outcomes.

IV. Environmental and Social Safeguards (ESS)

1. As part of the requirements for **projects from GEF-6 onwards**, and based on the screening as per the UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), which category is the project?

☐ Category A project

☒ Category B project

☐ Category C project

[6] https://www.worldometers.info/coronavirus/country/cambodia/

(By selecting Category C, I confirm that the E&S risks of the project have not escalated to Category A or B).

Notes on new risks:

- *If new risks have been identified during implementation due to changes in, i.e. project design or context, these should also be listed in (ii) below.*
- *If these new/additional risks are related to Operational Safeguards # 2, 3, 5, 6, or 8, please consult with UNIDO GEF Coordination to discuss next steps.*
- *Please refer to the UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP) on how to report on E&S issues.*

Please expand the table as needed.

	E&S risk	Mitigation measures undertaken during the reporting period	Monitoring methods and procedures used in the reporting period
(i) Risks identified in ESMP at time of CEO Endorsement	The ESMP was focused on mitigating environmental and health issues of main industrial sectors established as priority for the project activities (garment, food, and beverage) through the project interventions. The environmental impacts and generated risks for these industrial sectors are classified in the following areas. 1) Hazardous substances and waste 2) Chemical hazards 3) Water consumption and wastewater 4) Energy consumption and emission to air 5) Solid waste 6) Exposure to noise 7) Odours 8) Explosion 9) Cross-cutting issue: Awareness raising to factories in general.	Training activities on RECP for the national technical advisors (NTAs) and companies have included strategies to improve resource consumption and waste generation in selected industries; including energy efficiency, waste and chemical management, water efficiency, among others. All these subjects are identified as environmental impacts of the priority sectors. The second batch of 20 companies has been organized to receive technical assistance including energy efficiency audits, and RECP assessments to identify opportunities of reducing environmental impacts related to waste, air emissions and wastewater generation. Green Industry Award Guideline has been adopted by Ministry of Industry, Science, Technology and Innovation (MISTI). The adopted guideline has the evaluation criteria including environmental, social and economic performance which encompasses all of the risks identified in the ESS; and also will further promote practices that reduce those risks. The project team has contacted Chip Mong Insee Cement Corporation (CMIC) to promote an alliance to incorporate companies under the project as potential suppliers of Ecocycle program of CMIC, by supplying of burnable wastes to be burned in incineration in cement production plant. At recents, the concept recycling materials such as waste fabrics from	MISTI conducted the initial assessments in close collaboration with the National Project Coordinator (NPC) to assess the selection of companies with high potential of environmental performance improvement. Backing from the Project Management Unit during visits to companies and other activities Guidelines and tools were provided to national advisors to develop RECP assessments including the identification of relevant environmental impacts for improvement potentials. A technical exchange workshop was developed between HQ and the PMU team with national advisors in charge of technical assistances in companies to homogenize service delivery in companies. A company level workplan model and milestones were established to facilitate monitoring of the technical assistance of RECP in-plant-assessments. Continuous support and advice from the PMU/HQ provided to MISTI and the National Technical Advisors while carrying out the RECP in-plant assessment and implementing the identified measures to reduce the environmental impact. Regular Coordination Meeting within the ministry technical teams to ensure the implementation and also to support on the technical issues.

		garment and textile factories have been exchanged between UNIDO Cambodia and GIZ Cambodia. Also, Chemical Management Training is prepared to give to all the factories and SMEs in the 3 batches (55/50 factories/SMEs)	Chemical Management Training will be provided, and chemical management guideline will be adopted and promoted for industry in Cambodia. Besides from TEST methodology trainings, and RECP Assessment, Environmental Management System (EMS) and Environmental Management Accounting (EMA) trainings were trained to factories/SMEs staffs/compliance officers. Also, EMS and EMA Roadmaps will be supported and developed for factories.
(ii) New risks identified during project implementation (if not applicable, please insert 'NA' in each box)	N/A	N/A	N/A

V. Stakeholder Engagement

1. Using the previous reporting period as a basis, please provide information on **progress, challenges and outcomes** regarding engagement of stakeholders in the project (based on the Stakeholder Engagement Plan or equivalent document submitted at CEO Endorsement/Approval).

Progress, challenges and outcomes regarding engagement of stakeholders in the project are as follows:

Progress regarding engagement of stakeholders in the project:

- *Two counterparts in the project such as Ministry of Industry, Science, Technology and Innovation (MISTI) or a former of Ministry of Industry and Handicraft (MIH), and Department of Climate Change (DoCC), formerly under National Committee of Sustainable Development (NCSD) and currently under Ministry of Environment (MoE). MISTI counterpart is responsible for the implementation of Output 1.1: Policy and Guideline Developments, Output 1.2: Green Industry Incentives through Annual Award Event, Output 1.3: Capacity Buildings and Technical Assistances through various training program such as TEST, EMS, EMA, Boiler, and Chemical Management; and technical assistances such as RECP Assessments, EMS and EMA Roadmap Developments for Each Factories/SMEs. DoCC is responsible for the awareness raisings including broadcasting of good practices through case studies found during the RECP assessment; Awareness raising events for promoting low carbon development, circular economy in industrial sector in Cambodia; and to integrate the concepts/contents of TEST methodology into the university curriculums through various means through integrated learning contents, related research topics/schemes and joint collaboration with industry for Green and Clean Technology Transfers from the developed countries or field agency such as UNIDO. From June 2021 to June 2021, with constant engagements from UNIDO and counterparts, the project activities have been implemented smoothly, significant progress has been made, significant outputs and outcomes as indicated in the project document have been achieved such as 1 RECP Policy is adopted, 2 guidelines have been used, One and First Green industrial Event has been organised (December, 2021), 21 Factories/SMEs/Start-Ups have been incentivised through the awards (Gold, Silver and Bronze Awards), 35 factories were provided for RECP assessments and trainings, Hundreds of RECP measures have been recommended, 20 more factories/SMEs have been identified and integrated into the projects (it totally becomes 55 compared to the target of 50 factories/SMEs), 5 laboratories related to the industrial wastewater monitoring have been trained, 1 lab standard operating procedure (SOP) has been produced, 3 universities have been engaged and several programs such as Industrial Engineering, Mechanical Engineering, Food and Chemical Engineering, Physics, Chemistry, Agro-Industry trained with TEST Methodology, 5 case studies were developed, 6 events of awareness*

raisings have been organised with the total participants of 290 persons (Total target events for the project is 8).

- *Regarding the recruiting the factories to join the TEST Project, by seeing the progress, the importance, the contributions of TEST Project, other UN Agency such as ILO and Garments, Footwears and Travel Bags (GFT) buyers (brands) have the strong engagements with UNIDO, and has recommended or endorsed this project to the factories/SMEs under their close collaboration/monitoring.*
- *UNIDO country office recognized the contribution of this TEST Project, and has recommended the adopted policy of RECP (Strategy and Action Plan of RECP 2021-2030) to various partners and developer such as GIZ, World Bank, EU and Ministry of Economy and Finance (MEF).*

Challenge regarding engagement of stakeholders in the project:

- *Engagement of stakeholders need a lot of coordination. Also, in order to show strong commitment, right time actions, efficient and effective resource uses, build and sustainable systems, it needs many rounds of communications, meetings, efforts and time. The scale up from project base to national base needs the strategic actions, right stakeholder engagement and the convinces by the results. For this project, at the beginning, as results are limited, the climate of engagement and collaboration is also limited. With this regard, it slows down the implementation and progress. However, by understanding about this challenge, Project Manager has well managed and took the strategic actions, then stakeholder engagement and collaboration have been much improved. Besides, political will and commitment also increase.*
- *At field level, TEST project did not really gain the popularity yet at the beginning due to limited activities and results. From last year to present, the project can move faster due to the recognitions and endorsements from those external stakeholders such as ILO and brands. Also, the project is recognized for its importance and contribution from factories/SMEs.*

Outcome regarding engagement of stakeholders in the project:

- *With right stakeholder engagement, the project outcome can be realised as follows:*

  - From the first batch (15 factories), the reduction potential of CO2 is 22 000 tons/year (2019). And from the second batch (20 factories), the reduction potential of CO2 is 25 000 tons/year (2022). From the field monitoring, the accumulated reduction of CO2 is with the amount of 94 500 tons (2019-2021), and it is going to be more by the end of 2022.

  - From RECP assessments of 35 factories/SMEs (first and second batches), electricity saving potential is 99 million kWhs/year, material saving potentials is 7990 tons/year, water saving potential is 640 600m3/year, wastewater avoiding potential is 387 700m3/year, solid waste avowing potential is 2695 tons/year. From the field monitoring, the actual accumulated savings (2019-2021) can be estimated by 200 million kWhs for electricity, 4 428 tons for material, 244 080m3 for water, 3640 tons for solid waste.

2. Please provide any feedback submitted by national counterparts, GEF OFP, co-financiers, and other partners/stakeholders of the project (e.g. private sector, CSOs, NGOs, etc.).

During the project implementation especial FY2021-2022, some of feedbacks can be heard from counterparts and stakeholders as follows:

MISTI (Counterpart): TEST project has supported MISTI in term of policy and guideline developments and adoptions, setting up the green industrial award (GIA) and awarded event (2021), and also to continue for 2022 and 2023, capacity buildings for MISTI staffs and factories/SMEs staffs/compliance officers.

DoCC/MoE (Counterpart): TEST project has supported for the awareness raisings; creating the platform for the exchanges of best practices, policy, regulation and research findings; supporting university for TEST method integrating into curriculums, and also capacity building laboratories for engaging on industrial wastewater monitoring.

GMAC (Garment Associations): TEST project has contributed a lot and many activities have been done to support Garment, Textile, Footwear and Travel Bags (GTFT) which is as the main export sector/the main economy for Cambodia.

MISOTA (Private Sector): Joining TEST Project enables this food factory to win the green industrial award (Gold, 2021), save energy, material and water for the manufacturing processes. Also, it enables the factory to move forward to zero-waste production.

Daquian (Private Sector): Joining TEST Project enables the factory to save material, water and energy. Also, to improve HIGG Scores to meet the compliance of buyers. Also, Experiences and Built Capacity from joining the TEST project enables the Daquian Team to introduce two more factories in the second batch (Senzhou and Marvel). Besides, Marvel is the big investment of group with more than 150 million USD in place (with up to date and green technologies, Semi-Automatic and Automatic Machines) and with the employee up to 14 000 persons. The team enjoys EMS and EMA trainings and also RECP assessments for the 3 factories. Daquian won bronze award in 2021, and thought to apply for GIA award again for 2022 from the group factories.

Eastex (Private Sector): Joining TEST Project enables the factory to save material, water and energy. One example of factory improvement is that the modification of cutting pattern (it was recommended by RECP measures during RECP assessment) enables the material saving up to 3%. With this material saving, the factory can save up to 300 000 USD/year.

NGOV Heng Fish Sauce (SME/Private Sector): Joining TEST Project enables the enterprise to understand more the saving technics, the improvements for the manufacturing processes and understand the standards. Enterprise is happy to join on the project.

Brands (VF, H&M, Nike, UNIQLO,…): Joining the TEST Project can allow the factory to get RECP assessment reports, improve the processes and to comply with requirements (HIGG Score system)

MoE/UNIDO Country Office: TEST Project should integrate some factories in the Sihanouk Ville Area to the project. By doing this, it shows the Sihanouk Ville Special Economic Zone (SSEZ) for the project demonstration and the importance of UNIDO TEST Project funded by GEF. In the future, this area is designed to be the Multi-Purpose Economic Zone (Stated by Ministry of Economy and Finance, and is now on the design and study by Urban Planning Design Institute of Shenzhen "UPDIS" for transforming the area into the multi-purpose economic zone). Also, MISTI and Provincial Department is considering of designing this area for Eco-Industrial Park (EIP). For the factories in the zone, they thank to UNIDO and MISTI for allowing them to join the TEST Project.

New Factories (Private Sector): How do they apply for Green Industrial Award? (They are interested for this event).

3. Please provide any **relevant stakeholder consultation** documents.

The following documents supported the relevant stakeholder consultation such as:

- *2022 Project Mission Report (9640_CambodiaTEST_2022_Project Mission Report)*
- *Annual UNIDO Country Report (9640_CambodiaTEST_2021_Annual Country Report)*
- *Annual Project Report (9640_CambodiaTEST_2021_Annual Report)*

VI. Gender Mainstreaming

1. Using the previous reporting period as a basis, please report on the **progress** achieved **on implementing gender-responsive measures** and **using gender-sensitive indicators,** as documented at CEO Endorsement/Approval (in the project results framework, gender action plan or equivalent),.

Gender Mainstreaming for TEST Project:

Gender Mainstreaming and Promotion from TEST Project especially on the relations of Green Skills, TEST Project and Women.	There was a promotion of women in green skills and application of TEST methodology at her working place https://cambodia.un.org/en/174042-womens-role-inclusive-and-sustainable-industrial-development-cambodia
Gender Mainstreaming in TEST Project	Mainstreaming of Gender through various Activities in TEST Project (Annex 8: Mainstreaming of Gender through various activities in TEST Project)
Provide gender awareness training to PMU/project staff and ensure that the gender course "I know Gender" on UN Women's eLearning Campus is completed.	All PMU staffs completed gender course "I know Gender 1-2-3" on UN Women's eLearning Campus. At least one of the team members of all sub-contractors completed the gender course "I know Gender123" on UN Women's eLearning Campus.
Ensure that the principles of gender equity are upheld in the annual Steering Committee Meetings with a representation of minimum 30% of women.	Two (2) of the 11 PSC members are women (18%).
Promote women's employment opportunities and economic security through: ▪ Advertising new project-related jobs with a statement encouraging women to apply ▪ Ensuring at least 30% of new roles or project staff are women	The statement "Women are encouraged to apply" appeared in all the new project-related posting. Two of the three project management unit staff are women (66%). Two of the 10 NTAs recruited by MISTI are women (20%) Most of the trainings, 30% women are assured to participated.

VII. Knowledge Management

1. Using the previous reporting period as a basis, please elaborate on any **knowledge management activities / products**, as documented at CEO Endorsement / Approval.

NA for the reporting period, however, please see below.

2. Please list any **relevant knowledge management mechanisms / tools** that the project has generated.

The knowledge products to be created by the project include but are not limited to:

- Adopted RECP Strategy and Action Plan 2021-2030 (Policy Document)
- Adopted GIA Guideline 2021 (Guideline document)
- TEST Guidelines/Tools for MISTI and Factories/SMEs
- TEST Guideline Online Learning Material for introducing and referencing (https://www.test-toolkit.eu/)
- Training Materials (First and Second EMS and EMA Training Material, Safe and Efficient Boiler Operation)
- List of factory winners in the GIA Competition (2021)
- List of factories joining the TEST Project (First, Second and Third Batches)
- Awareness Raising Materials (Lab Management and Industrial Waste Water Monitoring, Case Studies)
- SOP for Laboratory

*These documents for the outside/public audiences (*https://drive.google.com/drive/folders/1yu-9_TNde6yurk2eoNxzrKxNK8sAZtN-?usp=sharing*)*

For the Facebook page regarding TEST Project, it is for public outreaches (https://web.facebook.com/TEST-II-Project-Cambodia-100171412727307)

By adding more reports (Annual reports, PIR Reports, PSC Minutes), it is for UNIDO internal team and for link to GEF (https://xfiles.unido.org/index.php/s/qz8ZmF6ZK2qLxyt)

VIII. Implementation progress

1. Using the previous reporting period as a basis, please provide information on **progress, challenges and outcomes achieved/observed** with regards to project implementation.

Project Progress:

- *Output 1.1: Policy and Guideline Developments*

  - 1 Adopted Strategy and Action Plan for Resource Efficiency and Cleaner Production (RECP) 2021-2030

  - 1 Adopted Green Industrial Award Guideline (GIA)

  - 1 Translated TEST Guideline (from English to Cambodian/Chinese Languages)

- *Output 1.2: Green Industry Incentives through Annual Award Event*

  - 1 Green Industrial Event Organized (December, 2021)

  - 21 Factories/SMEs/Start-Ups awarded (5 golds, 5 silvers, and 11 bronzes)

- *Output 1.3: Capacity Buildings and Technical Assistances*

  - 20 factories were provided for RECP assessments and trainings in 2021-2022 (Total number of trained and assessed factories reaches up to 35 compared to 50 in the target)

  - Hundreds of RECP measures have been recommended

  - 20 more factories/SMEs have been identified and integrated into the projects (Total number of joined factories/SMEs reaches up to 55 compared to 50 in the target)

- *Output 1.4: Awareness Raising*

  - 5 laboratories related to the industrial wastewater monitoring have been trained

  - 1 lab standard operating procedure (SOP) has been produced

  - 3 universities have been engaged and several programs such as Industrial Engineering, Mechanical Engineering, Food and Chemical Engineering, Physics, Chemistry, Agro-Industry trained with TEST Methodology

  - 5 case studies were developed

- 6 events of awareness raisings have been organised with the total participants of 290 persons (Total target events for the project is 8).

Project Challenge:

- *Limited and complicated processes for Field Monitoring*
- *Limited factory capacity in measuring and reporting the real level of implementation*
- *Limited data platform, mechanism and obligation to collect the data from all project factories*
- *Controversial regulation that may hinder the green technology investment or implementation (e.g Solar PV Rooftop Regulation that penal to factories/SMEs on Solar PV installation by applying capacity charge "5$/kW of installed capacity of factories/SMEs").*

Project Outcome:

- *From the RECP Assessments (First and Second batches), the CO2 reduction potential reaches up 47 000 tons/year (22 000 tons/year from 2019 from first batch "15 factories/SMEs", and 25 000 tons/year from 2022 from second batch "20 factories/SMEs"). From the field monitoring, the accumulated reduction of CO2 is with the amount of 94 500 tons (2019-2021), and it is going to be more by the end of 2022.*
- *Besides, from these 35 factories/SMEs, electricity saving potential is 99 million kWhs/year, material saving potentials is 7990 tons/year, water saving potential is 640 600m3/year, wastewater avoiding potential is 387 700m3/year, solid waste avowing potential is 2695 tons/year. From the field monitoring, the actual accumulated savings (2019-2021) can be estimated by 200 million kWhs for electricity, 4 428 tons for material, 244 080m3 for water, 3640 tons for solid waste.*

2. Please briefly elaborate on any **minor amendments**[7] to the approved project that may have been introduced during the implementation period or indicate as not applicable (NA).

Please tick each category for which a change has occurred and provide a description of the change in the related textbox. You may attach supporting documentation, as appropriate.

☐	Results Framework	
☐	Components and Cost	
☐	Institutional and Implementation Arrangements	
☐	Financial Management	
☒	Implementation Schedule	Project extended for 24 months (from 2018-2021 to 2018-2023)
☐	Executing Entity	
☐	Executing Entity Category	
☐	Minor Project Objective Change	
☐	Safeguards	
☐	Risk Analysis	
☐	Increase of GEF Project Financing Up to 5%	

[7] As described in Annex 9 of the *GEF Project and Program Cycle Policy Guidelines*, **minor amendments** are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5%.

☐	Co-Financing	
☐	Location of Project Activities	
☐	Others	

3. Please provide progress related to the **financial implementation** of the project.

Activities in FY21-22 were focused on Output 1.1.2,1.1.3 and 1.1.4. Within this fiscal year (June 2021-June 2022), the project expensed with amount of 351230 USD. Total expenditures to date amount to 1,281,977.40 USD compared to the total budget of 1 780 822.00 USD or 72% of Total budget.

The project expense and progress (https://open.unido.org/projects/KH/projects/150275)

The following table summarizes the financial implementation by output and budget line

Output#	Description	06.2021-06.2022
Output1.1.1	**Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource-efficient operation**	**448.61**
	Staff &International Consultants	0
	Local Travel	138
	National consultants/staff	190.53
	Contractual service	28.04
	Trainings	0
	Other direct cost	92.04
	Support Costs	0
Output1.1.2	**Incentives established to encourage industries to improve the economic, social, and environmental dimensions of their activities**	**33764.57**
	Staff &International Consultants	0
	Local Travel	0
	National consultants/staff	6075.46
	Contractual service	26353.04
	Trainings	0
	Other direct cost	1336.07
	Support Costs	0
Output1.1.3	**TEST Integrated approach implemented at the national level through trainings and demonstration in selected enterprise**	**254597.93**
	Staff &International Consultants	30403.35
	Local Travel	1506
	National consultants/staff	21278.16
	Contractual service	195445.01
	Trainings	0
	Other direct cost	5965.41
	Support Costs	0
Output1.1.4	**Awareness increased with focus on resource efficiency and dissemination of the lessons learnt during the project**	**62419.57**

		Staff &International Consultants	0
		Local Travel	0
		National consultants/staff	2149.88
		Contractual service	59564.68
		Trainings	0
		Other direct cost	705.01
		Support Costs	0
		Total for FY2021-2022 (06.2021-06.2022)	**351230.68**

IX. Work Plan and Budget

1. Please provide **an updated project work plan and budget** for the remaining duration of the project, as per last approved project extension. Please expand/modify the table as needed.

Outputs by Project Component	Year 3 (2020)				Year 4 (2021)				Year 5 (2022)				Year 6 (2023)				GEF Grant Budget Available (US$)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Component 1 –TEST integrated approach implemented at the national level through trainings and demonstration in selected enterprises National capacity building, transfer of low carbon technologies and awareness raising to reduce risks of climate change																	
Outcome 1.1 Knowledge and technical capacity is enhanced in Cambodia to reduce industrial polluted discharges and greenhouse gas (GHG) emissions																	
Output 1.1.1 Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource efficient operations	☐	☐	☒	☒	☒	☒	☒										19 519.11
Activity 1.1.1.1 Assess current legal, regulatory, policy and institutional frameworks on industrial development particularly the need to include resource efficiency within the existing legal framework;			☒	☒													
Activity 1.1.1.2 Develop and submit a draft section based on the principles of low carbon growth and RECP for formal stakeholder discussion processes as part of the existing policy				☒	☒	☒											
Activity 1.1.1.3 Develop the TEST implementation guide in line with local conditions targeting selected industrial sectors building on the TEST integrated approach principles developed under the previous project. The Guideline will be translated into Khmer					☒	☒	☒										
Output 1.1.2 Incentives established to encourage industries to improve the economic, social and environmental dimensions of their activities	☒	☒	☒	☒	☒	☒	☒	☒					☒	☒	☒	☒	57 105.41
Activity 1.1.2.1 Assess the existing GIA scheme as well as the different dimensions of low carbon growth and sustainable development	☒	☒															
Activity 1.1.2.2 Operationalize a sustainable structure for the GIA under MISTI and extend it as a national programme			☒	☒	☒												
Activity 1.1.2.3 Host annual GIA ceremonies. The GIA ceremony will be organized yearly from the second year of the project implementation in close cooperation with MISTI					☒	☒	☒	☒			☒	☒	☒	☒	☒	☒	
Output 1.1.3 TEST integrated approach implemented at the national level	☒	☒	☒	☒	☒	☒	☒										567 703.26

through trainings and demonstration in selected enterprises																	
New batches:																	
Activity 1.1.3.1 Identify and select enterprises/factories for TEST Implementation		☒	☒	☒	☒		☒	☒	☒	☒							
Activity 1.1.3.2 Deliver general training on the TEST integrated approach				☒							☒						
Activity 1.1.3.3 Deliver training on resource efficient and cleaner production (RECP) and conduct RECP assessments.				☒	☒						☒	☒	☒	☒			
Activity 1.1.3.4 Deliver training on energy efficiency and conduct energy audits.	☒	☒	☒	☒	☒												
Activity 1.1.3.5 Low carbon technology transfer self-financed by demonstration companies and implementations of the improvement options/recommendations	☒	☒	☒	☒	☒	☒	☒				☒	☒	☒				
Activity 1.1.3.6 Deliver trainings on Environmental Management Accounting (EMA), Environmental Management System (EMS) , and Corporate Social Responsibility (CSR)				☒	☒	☒	☒				☒	☒	☒				
Activity 1.1.3.7 Develop specific assessments and improvement roadmaps on EMA, EMS and CSR				☒	☒	☒	☒				☒	☒	☒	☒			
Activity 1.1.3.8 Deliver training on boiler management and safe operation			☒				☒				☒						
Activity 1.1.3.9 Deliver training on chemical management				☒				☒			☒	☒					
Activity 1.1.3.10 Deliver training to the Ministry of Environment's pollution control laboratory on analytical methods to monitor effluent discharges									☒	☒	☒						
Activity 1.1.3.11 Link the selected companies to investors/companies that provide energy efficiency services	☒	☒	☒	☒	☒	☒		☒		☒	☒	☒	☒	☒			
Output 1.1.4: Awareness increased with focus on resource efficiency and dissemination of the lessons learnt during the project	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒			89 823.03
Activity 1.1.4.1 Develop awareness raising material based on successes and lessons learned from the project	☒	☒	☒	☒	☒	☒	☒		☒	☒	☒	☒	☒	☒			
Activity 1.1.4.2 Implement bi-annual awareness raising events for industries and policy makers				☒		☒		☒		☒		☒	☒	☒			
Activity 1.1.4.3 Disseminate the lessons learned and best practices through seminars, workshops, publications and outreach/ educational materials					☒	☒	☒	☒	☒	☒	☒	☒	☒	☒			
Activity 1.1.4.4 Develop training material on integrated and sustainable industrial development to be used in universities and technical schools				☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒			
Outcome 2.1. Project achieves objective on time through effective monitoring and evaluation																	
Output 2.1.1: Periodic monitoring and terminal evaluation of project implementation completed	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	166 739.71

X. Synergies

1. **Synergies** achieved:

The project identified potential synergies with ILO-Better Factory Cambodia (ILO-BFC). The GEF-UNIDO project provides assistance on the improvement of environmental and economic performance, while ILO-

BFC provides assistance on social issues. A collaboration to provide a more comprehensive technical assistance to the relevant garment factories is being further explored.

Synergies were also explored with Chipmong Insee Cement Corporation's Ecocycle program for the treatment of solid waste. The Ecocycle program of CMIC could burn fabric waste, in an environmental manner, using higher temperature in their cement kiln.

Under the umbrella of Cambodia PCP program, the project is discussing with another UNIDO project "CAPFISH-Capture" to establish links between beneficiary companies of both projects.

Synergy is also done with GGGI Project in term of Factory Improvement through Green Manufacturing Project sponsored by EU for Garment Sector in Cambodia through the Program "SwitchAsia"

UNIDO country office recognized the contribution of this TEST Project, and has recommended the adopted policy of RECP (Strategy and Action Plan of RECP 2021-2030) to various partners and developer such as GIZ, World Bank, EU and Ministry of Economy and Finance (MEF). The possibility of synergy in term of project collaboration has been raised.

3. Stories to be shared (Optional)

Some stories from TEST can be considered as follows:

1. *Women Role in Inclusive and Sustainable Industrial Development in Cambodia*
   https://cambodia.un.org/en/174042-womens-role-inclusive-and-sustainable-industrial-development-cambodia

2. *Green Industrial Award in Cambodia*
   https://web.facebook.com/permalink.php?story_fbid=121513343415399&id=110629424503791&substory_index=0&__rdc=1&__rdr

   https://construction-property.com/cambodia-to-launch-green-industry-awards-competition-to-encourage-sustainable-business-activities/

3. *Just Good Refill Start-Up won the award from first GIA*
   https://cambodianess.com/article/just-good-refills-wins-silver-for-single-use-plastic-reduction-innovation-at-cambodias-first-green-industry-award#:~:text=%E2%80%8B%E2%80%8BThe%20Ministry%20of,sustainable%20production%20and%20business%20activities.

EXPLANATORY NOTE

1. **Timing & duration:** Each report covers a twelve-month period, i.e. 1 July 2021 – 30 June 2022.

2. **Responsibility:** The responsibility for preparing the report lies with the project manager in consultation with the Division Chief and Director.

3. **Evaluation:** For the report to be used effectively as a tool for annual self-evaluation, project counterparts need to be fully involved. The (main) counterpart can provide any additional information considered essential, including a simple rating of project progress.

4. **Results-based management**: The annual project/programme progress reports are required by the RBM programme component focal points to obtain information on outcomes observed.

Global Environmental Objectives (GEOs) / Development Objectives (DOs) ratings	
Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as "good practice".
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yields satisfactory global environmental benefits, with only minor shortcomings.
Moderately Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modes overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environmental benefits.
Moderately Unsatisfactory (MU)	Project is expected to achieve some of its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environmental objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, any of its major global environmental objectives with no worthwhile benefits.

Implementation Progress (IP)	
Highly Satisfactory (HS)	Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as "good practice".
Satisfactory (S)	Implementation of most components is in substantial compliance with the original/formally revised plan except for only few that are subject to remedial action.
Moderately Satisfactory (MS)	Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.
Moderately Unsatisfactory (MU)	Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.
Unsatisfactory (U)	Implementation of most components in not in substantial compliance with the original/formally revised plan.
Highly Unsatisfactory (HU)	Implementation of none of the components is in substantial compliance with the original/formally revised plan.

Risk ratings	
Risk ratings will access the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale:	
High Risk (H)	There is a probability of greater than **75%** that assumptions may fail to hold or materialize, and/or the project may face high risks.
Substantial Risk (S)	There is a probability of between **51%** and **75%** that assumptions may fail to hold or materialize, and/or the project may face substantial risks.
Moderate Risk (M)	There is a probability of between **26%** and **50%** that assumptions may fail to hold or materialize, and/or the project may face only moderate risk.
Low Risk (L)	There is a probability of up to **25%** that assumptions may fail to hold or materialize, and/or the project may face only low risks.