



Project Implementation Report

(1 July 2022 – 30 June 2023)

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:	<i>GEF-6</i>
Country(ies):	<i>Cambodia</i>
Region:	<i>SA - Southeast Asia</i>
GEF Focal Area:	<i>Climate Change Mitigation (CCM)</i>
Integrated Approach Pilot (IAP) Programs¹:	<i>NA</i>
Stand-alone / Child Project:	<i>Stand-alone</i>
Implementing Department/Division:	<i>ENV / IRE</i>
Co-Implementing Agency:	<i>NA</i>
Executing Agency(ies):	<i>Ministry of Industry, Science, Technology and Innovation (MISTI) for Outputs 1.1-1.3, and Ministry of Environment (MoE) for Output 1.4</i>
Project Type:	<i>Medium-Sized Project (MSP)</i>
Project Duration:	<i>48 months</i>
Extension(s):	<i>24 months</i>
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:	<i>1,709,798.39</i>
Mid-term Review (MTR) Date:	Internal/Self 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:	9/30/2023
Expected Terminal Evaluation (TE) Date:	10/31/2023
Expected Financial Closure Date:	3/31/2024
UNIDO Project Manager²:	<i>SINGH Rana Pratap</i>

I. Brief description of project and status overview

Project Objective					
<p>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 environmentally sound technology in Cambodian Industry.</p> <p>The project core indicator is to reduce avoidable Green House Gas emission in Cambodian Industry.</p>					
<table border="1"> <thead> <tr> <th>Project Core Indicators</th> <th>Expected at Endorsement/Approval stage</th> </tr> </thead> <tbody> <tr> <td>6 Green House Gas Emission mitigated</td> <td>510,852 metric tons directly avoided. 180,000 – 450,000 metric tons indirectly avoided</td> </tr> </tbody> </table>		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
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Baseline
<p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>

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 tCO₂eq 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. FY23. Please also provide a short justification for the selected ratings for FY23.

In view of the GEF Secretariat's intent to start following the ability of projects to adopt the concept of adaptive management³, 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. FY22, in the last column.

Overall Ratings ⁴	FY23	FY22
Global Environmental Objectives (GEOs) / Development Objectives (DOs) Rating	<i>Satisfactory (S)</i>	<i>Satisfactory (S)</i>
<i>Objectives of the project can be achieved as planned and with the GEF Cycle.</i>		
Implementation Progress (IP) Rating	<i>Satisfactory (S)</i>	<i>Satisfactory (S)</i>
<i>Implementation progress as output indicators is on right tracks with the permitted extended time.</i>		
Overall Risk Rating	<i>Low Risk (L)</i>	<i>Low Risk (L)</i>
<i>The risk is low as everything is on right track.</i>		

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 FY23
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 policies	1	1	0: 0 (There is no review and adopted policy guideline for this fiscal year. One RECP SAP 2021-2030 was adopted by MISTI in 2021);
	Number of Local TEST Guideline developed	1	1	0: 0 (There is no review/adopted TEST guideline for this fiscal year);
Output 1.2: Incentives established to encourage	Number of Adopted GIA guideline	1	1	0: 0 (There is no adoption of GIA Guideline for this fiscal year);

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

industries to improve the economic, social and environmental dimensions of their activities	Number of Green Industrial Award Event	2	2	1: 1 GIA for 2023 is under process and will be completed by Middle of August, 2023;
	Number of Technical visits for conducting feasibility study on Green Industrial Award Program and Eco-Industrial Park Concept/Development in the region	0	1	1: 1 Green Industrial Framework Training was completed by visiting to Thailand (Regional UNIDO Office, Thai Ministry of Industry and Institutions, EEC and Rayong EIP) by December 2022;
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	68	30 (30% women)	26: 26 more government officials/civil servants were trained on EMS, EMA, Chemical Management, Eco-Industrial Park (EIP) and SEZ Management and Investment Program. The total trained government officers is 94 compared to target 30 (Please check the file No. 10 in the supported document);
	Number of Factories/SMEs to join the project	35	50	20: 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;
	TEST Training for factories and SMEs in the project	2	3	1: 1 of third TEST training for third batch was completed by Q3, 2022;
	Number of RECP Assessments for Factories and SMEs in the project	35	50	20: 20 factories/SMEs were conducted for RECP Assessments supported by MISTI Team by 2022-2023;
	Number of Environmental Management System (EMS) training	1	3	2: 2 EMS training were conducted to support the factories of second batch (20 factories) and third batch (20 factories) with 96 participants (25% are women)
	Number of Environmental Management Accounting (EMA) training	2	3	1: 1 EMA training were conducted to support the factories of third batch (20 factories) with 45 participants (22% are women)
	Number of Developed EMS Roadmaps	12	50	40: 40 EMS roadmaps were developed and submitted to factories and SMEs of the second and third batches
	Number of developed EMA roadmaps	12	50	40: 40 EMA roadmaps were developed and submitted to factories and SMEs of the second and third batches
	Number of trainings on efficient and safe operating boiler System	1	1	0: (Though we are not claiming, but the fact is that there are the trainings 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 TEST Project)
	Number of chemical management training	0	1	1: 1 of Chemical management Training was done for all 3 batches with 50 participants (32% are women)
	Number of bankable document development training	0	1	1: 1 of Bankable Document Training was done for ESCOs, Local Banks, Experts and NGOs for promoting Green Technology Investments for RECP Measures in TEST Project with 23 participants (47% are women)
	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	1	5: It was expected to develop the 1 sample as part of bankable document to support the financial institution as a part of training. However, we supported and prepared 5 Bankable Documents of 5 Categories of Green and Clean Technologies has been studied and developed;
	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	6	8

				<p>Second Event: Knowledge Sharing Workshop on Promoting Energy Efficiency and Heat Stress with 45 participants (33% are women)</p> <p>Third Event: Promotion of Inclusive and Sustainable Industrial Development in Phreak Sihanouk Province with 41 participants (34% are women);</p> <p>Fourth Event: Investment Project Management and Evaluation, and Master Development with 25 participants (20% are women);</p>
	Number of Training of TEST Methodology into Local University	1	0	1: 1 Training by working with KOICA to provide the training to the department of environment of Royal University of Phnom Penh (RUPP) for promoting new environmental engineering program;
	Number of Curriculums/Subjects have been integrated with TEST Methodology	3	0	1: 1 Program of Environmental Engineering of RUPP were integrated with TEST;
	Number of case studies developed from the TEST project	5	0	3: 3 more cases studies are developing;
	Number of Standard Operating Procedure (SOP) to support to laboratory to reach international/certification standard	1	0	0: 0 (There is the post review of training and SOP to the laboratories); (1 SOP of laboratory QMS ISO 17025 has been produced and supported to 5 laboratories in 2021-2022).

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	16 (4 annual reports: 2018, 2019, 2020, 2021); (4 PSC reports: First, second, third and fourth PSC reports); (4 IRPF Reports: IRPF 2019, 2020, 2021 and 2022); (4 PIR Reports: PIR 2018-19, 2019-20, 2020-21 and 2021-2022)	Regular	<p>3: 3 monitoring reports were produced;</p> <p>(3 Reports: Annual Report 2022; IRPF 2022, PIR 2021-22);</p> <p>(1 Report in Progress: Fifth PSC will be conducted in end of July, 2023);</p> <p>(Semi-Annual Coverage Report between Annual Report, PSC and PIR).</p>
	Monitoring of Project-by-Project Manager (PM): Number of physical missions from project manager in order to monitor the project progress in the field	2 (First physical mission in 2018, second mission in 2020 was cancelled due to Covid-19); (Second Physical mission from Project Manager from UNIDO HQ to	As necessary	1: 1 Physical Project Mission from Project Manager was done in March 2023 to monitor the project progress, TEST implementation including the beneficial factories and SMEs.

	the field was in June, 2022)		
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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 22	(i) Risk level FY 23	(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)	<p>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 to ministry and company's staffs, and their participation has been ensured during the assessment;</p> <p>To improve continuously and to strengthen the systems (project management, industrial program and monitoring systems).</p>	<p>Constant Improvement Process including providing the training on Result-Based Management (RBM), Integrated Result and Performance Framework (IRFP) and Project Management to MISTI and MoE Staffs on how to improve the project progress and results;</p> <p>Collaborated with ILO, TEST project had a presentation on Manufacturing and Sustainability to 300 Textile, Apparels, Footwear and Travel Bags (TAFT) brands presenting in various factories in Cambodian;</p> <p>Regarding efficiency and effectiveness, regular and effective communications have been performed with project counterparts as implementers, project beneficiaries such as factories/SMEs, and also with external stakeholders to the factories/SMEs such as buyers/markets (TAFT brands/buyers such as NIKE, PUMA, H&M, GAP, UNIQLO, V, NF and other brands as market representatives); EU Delegation, GIZ, AUSAID and other as sectoral program developer;</p> <p>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;</p> <p>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. Furthermore, hands-on trainings have been engaged by engaging with findings, reports and experiences from the field. In addition, interactions with trainees as trainee centre for the trainings and working with factories and SMEs managers;</p>	<input type="checkbox"/>

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

					<p>National consultants have been engaged in continuous development by training, doing, retraining and redoing on project related activities.</p> <p>The recent project manager missions also boosts the political wills for supporting the national and local staff capacity buildings.</p>	
2	<p>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.</p>	Low risk (L)	Low risk (L)	<p>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;</p> <p>Regular communication between, close collaboration and coordination among Executing agencies and UNIDO play a crucial role in mitigating the issues.</p>	<p>After the fourth PSC meeting was conducted on August 24, 2022, and also other meetings and coordination between UNIDO TEST Project Manager, PMU and Counterparts (MISTI and MoE), more commitments and engagements have been shown; and as the results, smooth project implementations have been achieved.</p> <p>Also, the RECP/TEST monitoring will be discussed/strengthened in the institutional frameworks in the next fifth PSC meeting.</p>	<input type="checkbox"/>
3	<p>Social risk: Reluctance of the industrial owners to mitigate climate change considering it to be a burden instead of an opportunity</p>	Modest risk (M)	Low risk (L)	<p>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 impacts 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 partner such as ILO on Better Factory Cambodia (BFC) Program to ensure full collaboration and commitment of the participating factories.</p>	<p>With supports from brands (as buyers in TAFT sectors as above mentioning), and also other UN Agency such as ILO, the recruitments of third batch factories were completed with smooth processes. Besides, 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 efficient and effective communications.</p>	<input type="checkbox"/>
4	<p>Regulatory risk: the proposed regulatory framework is not adopted and enforced.</p>	Modest risk (M)	Low risk (L)	<p>The risk could be mitigated through early engagement with decision makers on the project preparation and implementation under output 1;</p> <p>Engage with counterparts MISTI and MoE to implement, integrate and promote the adopted RECP Strategy and Action Plan 2021-2030, and the adopted guidelines including GIA and TEST.</p>	<p>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). Adopted Policy and guidelines have been used and referenced. More systematized approaches have been encouraged to MISTI in order to achieve higher results with the national outreaches;</p> <p>Furthermore, as the results of engagements and technical supports from UNIDO and by learning and gaining from the TEST Project, the official request from senior minister of MISTI on further Greening Industry and Eco-Industrial Park (EIP) was proposed. In response, UNIDO Director General (DG) has given the support on development of EIP with further greening Industries for SEZs/Industrial Parks.</p>	<input type="checkbox"/>
5	<p>Political risk: political instability during elections might negatively affect the implementation of</p>	Low risk (L)	Low risk (L)	<p>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</p>	<p>The risk has been mitigated through the annual work plan with anticipation of the National election on July 23, 2023. As the result, most of activities were completed, and results were achieved by July 20,</p>	<input type="checkbox"/>

	the project and the level of political commitment			political support. In addition, an active consultation, awareness and outreach program will develop a broader base of understanding, consensus and support within ministries and stakeholders; and increasing the level of political support; The advanced planning of key project activities would smoothen the execution process during the said period.	2023. Minimal activities and results are expected after the election. Full project activities can be completed in September 2023, Project Closing and Evaluation can be done in October 2023.	
6	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.

For Cambodia case⁶, Covid-19 has slightly delayed the activity in 2021, but get much better in 2022. As the result, in FY 2022-2023, people travel and move freely without having any Covid-19 bans, and the training can be done physically. RECP and TEST activities were implemented smoothly without interruption.

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 September 2023, to evaluate in October 2023, and to close the project by November/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.

As there is no plan and resource allocated in the project document (being Medium-Sized Project) for MTR, and communication and coordination with GEF Coordination Unit, then we conducted a 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. As the results, project has been speeded up in a significant rate, and outputs and outcomes are assured and achieved by June, 2023.

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?

⁶ <https://www.worldometers.info/coronavirus/country/cambodia/>

Category A project

Category B project

Category C project

(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	<p>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.</p> <ol style="list-style-type: none">1) Hazardous substances and waste2) Chemical hazards3) Water consumption and wastewater4) Energy consumption and emission to air5) Solid waste6) Exposure to noise7) Odours8) Explosion9) Cross-cutting issue: Awareness raising to factories in general.	<p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>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.</p> <p>Backing from the Project Management Unit during visits to companies and other activities</p> <p>Guidelines and tools were provided to national advisors to develop RECP assessments including the identification of relevant environmental impacts for improvement potentials.</p> <p>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.</p> <p>A company level work plan model and milestones were established to facilitate monitoring of the technical assistance of RECP in-plant-assessments.</p> <p>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.</p>

		<p>burned in incineration in cement production plant.</p> <p>At recent, the concept recycling materials such as waste fabrics from garment and textile factories have been exchanged between UNIDO Cambodia and GIZ Cambodia.</p> <p>Also, Chemical Management Training is prepared to give to all the factories and SMEs in the 3 batches (55/50 factories/SMEs)</p>	<p>Regular Coordination Meeting within the ministry technical teams to ensure the implementation and also to support on the technical issues.</p> <p>Chemical Management Training will be provided, and chemical management guideline will be adopted and promoted for industry in Cambodia.</p> <p>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.</p>
(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:

- *Stakeholders such as Project Counterparts MISTI and MoE have been engaged with efficient and effective manners. As the results, many project activities have been completed; and outputs and outcomes are achieved;*
- *Association such as TAFTAC (Former as GMAC) has been engaged in all key project activities including Green Industrial Framework Training in Thailand, Greening Industry in Cambodia, Project Steering Committee (PSC), Related Greening Project and Next Phase Project Design;*
- *Private Sectors including project beneficiaries such as Factories and SMEs have been invited to join the Green Industrial Framework Training in Thailand, and also consulted in Sustainability Project organized by ILO, and also on RECP/TEST Implementation Process, Providing the supports on Bankable Documents on Green Technology Investments, Consultation on the application of Annual Green Industrial Awards, and also on RECP/TEST implementation result reporting;*
- *UN Agencies, Developers, Chambers and Banks on the possible synergies, supports and investments on green manufacturing;*

Challenge regarding engagement of stakeholders in the project:

- *There is no significant challenge to be noticed at this time. As the project is coming to the end, there is a limited resource to support more stakeholder engagements, then it is expected that the new project can be extended and expanded more on Greening Industry in Cambodia including EIP;*

Outcome regarding engagement of stakeholders in the project:

- *As with the strong stakeholder engagement, the project could be implemented smoothly, efficiently*

and effectively, and the project can be progressed in a fast speed. Also, This TEST project provides the strong Greening Industrial Momentum in Cambodia, and as the results, MISTI, MoE and UNIDO are initiating the next phase project on Eco-Industrial Park (EIP).

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 FY2022-2023, some of feedbacks can be heard from counterparts and stakeholders as follows:

MISTI (Counterpart): TEST project has supported MISTI in term of GIA, RECP Assessments and Implementations; EMS and EMA Roadmap Development, the use of Chemical Management Guideline, Expansion of Greening Industry from National to Sub-National, Concept Note on next phase of project on Eco-Industrial Parks;

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, capacity building laboratories for engaging on industrial wastewater monitoring and post-training review; community developments and engagements in next project phasing; concepting to low carbon, and towards carbon neutrality;

*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 now is ready with **the Master Plan for transforming the area into the multi-purpose economic zone**. Also, **MISTI, MoE and Provincial Department is concepting Eco-Industrial Park (EIP) for the next phase project.***

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

The following documents supported the relevant stakeholder consultation such as:

- *2023 Project Mission Report (9640_CambodiaTEST_2023_Project Mission Report)*
- *Annual UNIDO Country Report (9640_CambodiaTEST_2022_Annual Country Report)*
- *Annual Project Report (9640_CambodiaTEST_2022_Annual Report)*
- *Green Industrial Framework Training in Thailand Report (9640_CambodiaTEST_2022_Green Industrial Framework Training Report)*
- *EIP Training Report (9640_CambodiaTEST_2023_EIP Training 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 (9640_CambodiaTEST_Gender Mainstreaming for 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: <ul style="list-style-type: none"> ▪ 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.

The project team is recording the Video to review and highlight on Green Industrial Award and also the TEST Project Achievements. For GIA Video, it is recording, and it is expected to be released by September 2023 before the third GIA in Middle of September 2023. For the TEST Project Completion and Achievement, it will be released in the December 2023 during the project completion. The Videos will be stored in the project folders and also in Youtube for public access.

The approved Case Studies by the Department of Climate Change (DoCC), Ministry of Environment (MoE):

1. [CASE STUDY ON IMPLEMENTATION OF BEST PRACTICES OF OPTIMIZING THE FOOD PROCESSING EQUIPMENT IN FOOD AND BEVERAGE INDUSTRY IN CAMBODIA | The National Council for Sustainable Development \(moe.gov.kh\)](#)

2. [CASE STUDY ON IMPLEMENTATION OF BEST PRACTICES OF OPTIMIZING THE FOOD PROCESSING EQUIPMENT IN FOOD AND BEVERAGE INDUSTRY IN CAMBODIA | The National Council for Sustainable Development \(moe.gov.kh\)](#)
3. [CASE STUDY ON OPPORTUNITIES OF INSTALLING SOLAR PV SYSTEM IN GARMENT INDUSTRY IN CAMBODIA | The National Council for Sustainable Development \(moe.gov.kh\)](#)
4. [CASE STUDY ON IMPLEMENTATION OF THE INCREASE OF THE BOILER EFFICIENCY BY GOOD OPERATIONAL PRACTICES IN FOOD AND BEVERAGE INDUSTRY IN CAMBODIA | The National Council for Sustainable Development \(moe.gov.kh\)](#)
5. [CASE STUDY ON IMPLEMENTATION OF THE OPTIMIZING COMPRESSED AIR USAGE IN GARMENT INDUSTRY IN CAMBODIA | The National Council for Sustainable Development \(moe.gov.kh\)](#)

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:

- *RECP Assessment Reports, EMS and EMA Roadmaps (TEST Action Plan Batch II - Google ឯកសារ);*
- *The Facebook Page for the Green Industrial Award (<https://web.facebook.com/profile.php?id=100077303112799>);*
- *Cambodian Green Industrial Award (https://www.youtube.com/watch?v=uM9_GJgrYMA);*
- *These documents for the outside/public audiences (it is store in google drive: <https://bit.ly/3BgKvwP>);*
- *For the Facebook page regarding TEST Project, it is for public outreaches (<https://web.facebook.com/TEST-II-Project-Cambodia-100171412727307>);*

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*
 - *No new policies or guideline adopted for this fiscal year. However, there is the promotion on use of strategy and action plan into the new project design such as Eco-Industrial Park and Greening Industry of Cambodia;*
- *Output 1.2: Green Industry Incentives through Annual Award Event*
 - *1 Green Industrial Event for 2023 is under organizing process;*
 - *1 Green Industrial Event Organized (December, 2022);*
 - *12 Factories awarded (2 golds, 7 silvers, and 3 bronzes);*
 - *12 SMEs/Start-Ups awarded (3 golds, 5 silvers, and 2 bronzes and 2 certificates);*
- *Output 1.3: Capacity Buildings and Technical Assistances*

- 20 factories were provided for RECP assessments and trainings in 2022-2023 (Total number of trained and assessed factories reaches up to 55 compared to 50 in the target);
- Hundreds of RECP measures have been recommended;
- 40 Environmental Management System (EMS) Roadmaps for 40 factories and SMEs of the second and third batches were provided compared to the baseline of 12 in last FY 21-22;
- 40 Environmental Management Accounting (EMA) Roadmaps for 40 factories and SMEs of the second and third batches were provided compared to the baseline of 12 in last FY 21-22;
- One Bankable Document Training was conducted;
- One Chemical Management Training was conducted;
- Additional Eco-Industrial Training was conducted;
- Additional Industrial Infrastructure including SEZs was conducted;

- Output 1.4: Awareness Raising
 - 1 Post-Review on Industrial Wastewater Laboratory Training;
 - 1 University (RUPP) have been engaged and one program on Environmental Engineering were trained and integrated with TEST Methodology
 - 3 Case studies were developing
 - 4 events of awareness raisings have been organised with the total participants of 156 persons (As the baseline for FY21-22 is 6, Project Target is 8, Current Results is 10/8).

Project Challenge:

- The monitoring process is not fully integrated yet between project and ministerial programs;
- Time and efforts in compiling RECP/TEST 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”). Besides, this challenges, UN Agencies, Chambers and Developers of Cambodia ask the Electricity of Cambodia and Ministry of Mines and Energy to revise this regulation. As the results, By April, 2023, there was a revision with removal of capacity charge, but in replace with compensation fee and this new regulation will be in effect from January 2024;

Project Outcomes:

- From the RECP Assessments (First, Second, Third Batches), the CO2 reduction potential reaches 100 000 tons in 2023 compared to 850 000 tons in 2022;
- Besides, from these 55 factories/SMEs, electricity saving is 40 000 MWh in 2023 compared to 31 000 MWh in 2022; Material Saving is 4 000 tons in 2023 compared to 2 900 tons in 2022.

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.

<input type="checkbox"/>	Results Framework	
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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%.

<input type="checkbox"/>	Components and Cost	
<input type="checkbox"/>	Institutional and Implementation Arrangements	
<input type="checkbox"/>	Financial Management	
<input checked="" type="checkbox"/>	Implementation Schedule	Extended for 24 months (from 2018-2021 to 2018-2023)
<input type="checkbox"/>	Executing Entity	
<input type="checkbox"/>	Executing Entity Category	
<input type="checkbox"/>	Minor Project Objective Change	
<input type="checkbox"/>	Safeguards	
<input type="checkbox"/>	Risk Analysis	
<input type="checkbox"/>	Increase of GEF Project Financing Up to 5%	
<input type="checkbox"/>	Co-Financing	
<input type="checkbox"/>	Location of Project Activities	
<input type="checkbox"/>	Others	

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

Activities in FY22-23 were focused on Outputs 1.1.2, 1.1.3, 1.1.4 and Monitoring. Within this fiscal year (July 2022-June 2023), the project expensed with amount of 440 026 USD. Total expenditure by June 30, 2023 is 1,722,003 USD compared to the total budget of 1 824 726 USD or 94.37% of total budget

*The project expense and progress up-to-date is on UNIDO Open Data Webpage as:
(<https://open.unido.org/projects/KH/projects/150275>)*

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

Output #	Description	07.2022- 06.2023
Output 1.1.1	Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource-efficient operation	18233.42
	Local Travel	157.52
	National consultants/ staffs	0.00
	Contractual service	16,008.51
	Trainings/Study	0.00
	Other direct cost	2,067.39
Output 1.1.2	Incentives established to encourage industries to improve the economic, social, and environmental dimensions of their activities	22911.45
	Staff &International Consultants	0.00
	Local Travel	0.00
	National consultants/ staffs	445.52

	Contractual service	17,799.95
	Trainings/Study	0.00
	International Meetings	4,479.14
	Other direct cost	186.84
Output 1.1.3	TEST Integrated approach implemented at the national level through trainings and demonstration in selected enterprise	316544.62
	Staff &International Consultants	14,780.12
	Local Travel	3,358.44
	National consultants/ staffs	70,197.40
	Contractual service	211,641.24
	Trainings/Study	0.00
	International Meeting	16,110.74
	Equipment	34.98
	Other direct cost	421.70
Output 1.1.4	Awareness increased with focus on resource efficiency and dissemination of the lessons learnt during the project	27549.71
	Local Travel	413.23
	National consultants/ staffs	5.03
	Contractual services	27,121.80
	Trainings/Study	0.00
	Equipment	9.65
	Other Direct Costs	0.00
Output 1.5X-1	Project Management and Monitoring	54787.71
	Local Travel	13787.44
	National Consultants/Staffs	1053.46
	Contractual Services	34400.00
	Premises	0.00
	Equipment	6.40
	Other Direct Costs	5540.41
	Total Expenditure for Fiscal Year (FY) 2022-2023 (01.07.2022-30.06.2023)	440026.91

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
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	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Available (US\$)
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	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										848.31
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;			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>													
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				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>											
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					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
Output 1.1.2 Incentives established to encourage industries to improve the economic, social and environmental dimensions of their activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		916.40
Activity 1.1.2.1 Assess the existing GIA scheme as well as the different dimensions of low carbon growth and sustainable development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>															
Activity 1.1.2.2 Operationalize a sustainable structure for the GIA under MISTI and extend it as a national programme			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>												
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					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Output 1.1.3 TEST integrated approach implemented at the national level through trainings and demonstration in selected enterprises	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										296.83
New batches:																	
Activity 1.1.3.1 Identify and select enterprises/factories for TEST Implementation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							
Activity 1.1.3.2 Deliver general training on the TEST integrated approach				<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>						
Activity 1.1.3.3 Deliver training on resource efficient and cleaner production (RECP) and conduct RECP assessments.				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Activity 1.1.3.4 Deliver training on energy efficiency and conduct energy audits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>												
Activity 1.1.3.5 Low carbon technology transfer self-financed by demonstration companies and implementations of the improvement options/recommendations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Activity 1.1.3.6 Deliver trainings on Environmental Management Accounting (EMA), Environmental Management System (EMS) , and Corporate Social Responsibility (CSR)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				

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	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒			127.69
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	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	71628.46

Note: Up to the final stage (up to date), the budget for the small set of equipment and the final evaluation is secured. Small set of equipment is under procurement process.

X. Synergies

1. Synergies achieved:

The project identified potential synergies with ILO Program on 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 Textile, Apparels, Footwear and Travel Bags (TAFT) 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", Decent Youth Employment (DEY) 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, AUSAID 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)

There is no new story to be written by this year. However, the TEST and Cambodian Green Industrial Award Video Stories are under shooting. The stories will be shared in the closing project report.

EXPLANATORY NOTE

- Timing & duration:** Each report covers a twelve-month period, i.e. 1 July 2022 – 30 June 2023.
- Responsibility:** The responsibility for preparing the report lies with the project manager in consultation with the Division Chief and Director.
- 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.

The final project evaluation can be expected in October, 2023.

- 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 <u>all</u> 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 <u>achieve most</u> of its <u>major</u> global environmental objectives, and yields satisfactory global environmental benefits, with only minor shortcomings.
Moderately Satisfactory (MS)	Project is expected to <u>achieve most</u> of its major <u>relevant</u> 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 <u>some</u> of its major global environmental objectives with major shortcomings or is expected to <u>achieve only some</u> of its major global environmental objectives.
Unsatisfactory (U)	Project is expected <u>not</u> to achieve <u>most</u> 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, <u>any</u> of its major global environmental objectives with no worthwhile benefits.

Implementation Progress (IP)	
Highly Satisfactory (HS)	Implementation of <u>all</u> 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 <u>most</u> 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 <u>some</u> components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.
Moderately Unsatisfactory (MU)	Implementation of <u>some</u> components is <u>not</u> in substantial compliance with the original/formally revised plan with most components requiring remedial action.
Unsatisfactory (U)	Implementation of <u>most</u> components in <u>not</u> in substantial compliance with the original/formally revised plan.
Highly Unsatisfactory (HU)	Implementation of <u>none</u> of the components is in substantial compliance with the original/formally revised plan.

Risk ratings	
Risk ratings will assess 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.