

PROJECT IMPLEMENTATION REPORT (PIR) FY 2021

**GEF - IDB
PIR # 3**

IMPORTANT: The reporting period is GEF Fiscal Year (July 1st, 2020, to June 30th, 2021)

PROJECT GENERAL INFORMATION

Project Name:	Support to the National Platform for Sustainable Cities and Climate Change in Lima				
Project's GEF ID:	9698	Project's IDB ID:	PE-T1355	Overall Stage:	Disbursing (From eligibility until all the Operations are closed)
Country/ies:	Peru				
GEF Focal Area:	Climate Change, Biodiversity				
Executing Agency:	WORLD WILDLIFE FUND INC				
Project Finance:	Total disbursements of GEF Grant resources as of end of June 30th, 2021 (cumulative)				US\$665,432.63
Project Dates:	Date of First Disbursement				6/19/2019
	Agency Approval Date				11/2/2017
	Effectiveness (Start) Date				6/22/2018
	Original Last Disbursement Expiration Date ¹ (OED)				6/22/2022
	Current CED				6/22/2023
	Estimated Operational Close Date ² (EOC)				9/20/2022
	Actual Date of EOC, if applicable				
Project Evaluation:	Mid-term Date (Expected)				9/30/2021
	Terminal evaluation Date (Expected)				12/22/2023

¹ For the GEF, this is equivalent to the project's "Expected Completion Date".

² For the GEF, this is equivalent to the project's "Expected Financial Closure Date".

DEVELOPMENT OBJECTIVE RATING (DO) & ASSESSMENT

Make an overall assessment and provide a rating³ of “likelihood of achieving project objective” during the period (2020-2021). Describe any significant environmental or other changes attributable to project implementation.

Project Objective: Generate information and knowledge tools for integral long-term planning in the AML, based on: (i) conservation of ecosystems; (ii) adaptation to CC; (iii) the order of the territory; and (iv) transport-oriented development. The activities of this TC will be coordinated with the reconstruction efforts.

OVERALL ASSESSMENT (DO)	RATING
<p>The project is rated as satisfactory because despite its significant delays, it has generally improved its performance, both at technical and administrative levels.</p> <p>This improvement has been achieved due to several factors:</p> <ul style="list-style-type: none"> a. The change in the focal point within MINAM to enable faster and more effective approval cycles. b. The strengthening of the project team which has attained experience in the administrative and fiduciary aspects of the project. c. The strengthening of the project team in terms of integrating more specialized consultants and a more active participation of the implementing agency to address technical aspects of the project. <p>All key consultancies from Components 1 to 4 are currently active or under bidding processes and the project will shortly be asking for a third disbursement for the next phases. However, there is still a low achievement of the technical and financial goals of the project, because of initial delays, the COVID-19 context and the more recently due to the fact that some processes were withheld because the terms of the consultancies were exceeding the terms of execution of the project. This is currently being addressed by the executing agency through an extension request for the project. Taking this into account, the project keeps a good rating at being able to achieve the goals proposed in all components.</p>	S

PROJECT STATUS UPDATE

The Project implementation started in 2019 and its operation in 2020. Activities in Components 1, 2 and 3 have started, however there are still key processes in Components 1 and 4 at bidding stage (1.1 Emerging and Sustainable Cities Initiative (ESCI) studies and 4.1 Pre-feasibility studies).

³ See Annex 1: Definition of Ratings.

The project has improved its performance significantly, both in technical and administrative aspects. This improvement has been possible due to the adjustments made at the Ministry of Environment (MINAM) level, the strengthening of the project team and the support provided by the IDB. However, there is still low compliance with the physical and financial goals, especially due to project activities start delays and COVID-19 context.

IMPLEMENTATION PROGRESS RATING (IP) & ASSESSMENT

Insert here an assessment and provide ratings⁴ of overall Implementation Progress, including information on progress, challenges, and outcomes on project implementation activities from July 1st, 2020, until June 30th, 2021. **As applicable, please include information on issues and solutions related to COVID-19.**

OVERALL ASSESSMENT (IP)	RATING
<p>The project has improved its rating towards a marginally satisfactory level due to the progress attained in the past year to get all studies from the different components on track enabling all key consultancies from Components 1 to 4 to be currently active or under bidding processes.</p> <p>The processes undertaken by the consultive committees have been successful in establishing a commitment to active participation, guaranteeing thorough revision of the TORs and products delivered by the consultancies as well as various inputs and recommendations for the implementation phase in terms of the investment framework design of the future projects delivered by the consultancies. However there still needs to be a faster and more effective management of the acquisition processes, as well as the approval of the products to ensure a better overall financial and technical performance.</p> <p>The project team has developed frameworks to ensure the project management cycles and goals are met which, will be surveilled by both the executing agency and the implementing agency.</p>	MS

RISK RATING & ASSESSMENT

Make any adjustments necessary to the assessment ratings⁵ of overall Project Risk⁶ that you provided in the last PIR (2019-2020). Please include details and remedial measures for High and Substantial Risks, specifying who will be responsible for these measures.

OVERALL ASSESSMENT (RISK)	RATING
<p>The project has been rated with Moderate Risk due to the following factors:</p> <p>Political risk:</p> <p>Recent change of government presents a risk of discontinuity in the project due to possible changes in the project team and focal point. To address the members of the consultive committees representing (mostly) local and national governments represents an ally towards keeping the project agenda present as well as the necessary role of MINAM in its continuity. The project team and executing agency has already taken an active role in maintaining an assertive communication and dialogue with the new authorities. The communications strategy and the participation and training stages of the different consultancies which will start in the next fiscal year will bring the project</p>	M

⁴ See Annex 1: Definition of Ratings.

⁵ See Annex 1: Definition of Ratings.

⁶ These should include risks identified at CEO Endorsement AND any new risks identified during implementation.

OVERALL ASSESSMENT (RISK)	RATING
<p>to a closer relation with civil society groups, NGOs, local district administrations which will be important for the sustainability and relevance of the project.</p> <p>Technical Risks:</p> <p>The execution terms of a series of key studies exceed the project execution dates due to the initial delays in the implementation of the project. This risk will be mitigated by an extension request for the project, however, the implementation of monitoring frameworks to ensure the project management cycles and goals are met is crucial and requires the close attention and supervision of all agencies; both the IDB, WWF and MINAM. These frameworks need detailed design for monitoring quality checks and approval of products since the next fiscal year will represent a big challenge due to many parallel studies being undertaken and supervised which also need to be integrated.</p> <p>COVID-19 crisis:</p> <p>The pandemic has represented delays and will probably continue to do so in terms of absences and limitations to the undertaking of fieldwork and groupwork. However, the project has developed effective virtual platforms which have already been appropriately functioning for the past year and a half as well as appropriate protocols for visits and fieldwork.</p> <p>Administrative risks:</p> <p>Possible delays of payments and acquisition processes will be mitigated by a disbursement plan which is already in practice, a fluent communication with consultancy firms and the IDB.</p>	

STAKEHOLDER ENGAGEMENT

Please add information on any progress, challenges, and outcomes with regards to stakeholder engagement, based on the project's activities during its implementation through the 2020-2021 GEF Fiscal Year. **As applicable, please include information on issues and solutions related to COVID-19.**

Technical roundtables have been implemented under consultive committees for all components which are operating accordingly with active participation of their members for the approval of Terms of Reference (ToR) and product deliveries. Sometimes their participation has demanded the inclusion of broader contents in the ToR, which the project team has mediated accordingly in order not to compromise appropriate completion feasibility of results.

The products from the key studies in Components 1, 3 and 4 include participatory processes that require involvement of non-state actors (local organizations, private sector, academia, youth, etc.) to contribute to the diagnosis, proposal or planning phases.

One good practice implemented is the incorporation of formal cooperation mechanisms to engage key stakeholders for products' implementation. In Component 2, a webinar was implemented to bring visibility about the relevance of the products and the necessary involvement of SEDAPAL (Potable Water and Sewerage Service of Lima), ANA (National Water Authority) and SENAMHI (National Service of Meteorology and Hydrology of Peru) in exchanging data to guarantee implementation in the long term. At the end of this event, an agreement was signed by these authorities to facilitate the interaction, which has now been established as a multi-institutional contract already approved by Ministry of Environment (MINAM), currently being evaluated by the rest of the institutions (SEDAPAL, ANA and SENAMHI) for agreement.

Recommendations:

- Monitor the continuity of the multi-institutional contract for Component 2 for compliance and agreements on behalf of ANA (National Water Authority), SENAMHI (National Service of Meteorology and Hydrology of Peru) and SEDAPAL (Potable Water and Sewerage Service of Lima) institutions.
- Communication Strategy from Component 5 needs to address the lack of civic and academic engagement in the project.
- The project execution has a great opportunity to strengthen civic and institutional engagement in the development of the different consultation and training processes through workshops and seminars which are part of most consultancies in Components 1, 2, 3 and 4.

GENDER

Please add information on any progress, challenges, and outcomes with regards to any and all gender-responsive measures that were undertaken in the project's activities during the 2020-2021 GEF Fiscal Year. Also: Were indicators on gender equality and women's empowerment incorporated in the project's results framework? (Yes/No). If applicable, include the indicator with its baseline, target, and current value (2020-2021).

The following products consider inclusion and gender approaches for their design and implementation:

- Component 1, gender disparities will be considered as part of the vulnerability assessment
- Component 4, transport orientated design (TOD) approach requires an inclusion perspective to generate benefits for women, children, the elderly, and people with disabilities. These findings will reflect on the proposed interventions for the investment projects these components will produce.
- Currently 40% of team members (including consultants) are female.

Recommendations:

- To implement a gender-based approach, the project will suggest agencies involved in Consultive Committees to designate representatives based on equal participation (parity).
- It will be required from the executing agency to monitor the adequate inclusion of gender vulnerability diagnosis in Components 1 and 4.

KNOWLEDGE

Please add information on knowledge activities and products developed in relation to the project (with GEF or non-GEF resources), with special emphasis on activities carried out during the 2020-2021 GEF Fiscal Year. **As applicable, please include information on issues and solutions related to COVID-19.**

Knowledge activities and products:

- a. Five additional consultants are now part of the project team in charge of supervising components related to risk management, biodiversity, sustainable mobility, and transport orientated design (TOD), integrated information platforms, urban sprawl, and coastal climate change.
- b. The project supports the design of guidelines for Local Climate Change Plans, to provide a legal basis for the approach of Climate Action Plans at local dimensions, including city scenarios.
- c. The Greenhouse Gas Study includes the development of a software to facilitate the measurement of greenhouse gas emissions by local relevant institutions. It includes a training course for officials involved in this task.
- d. Component 2 training courses have had an active participation of local stakeholders and there is a strong emphasis in the supervision of final products on how the HydroBID and decision-making tool will integrate territorial planning decisions.
- e. The information platform design from Component 5 will consider a community-based data to narrow the existing knowledge gaps.
- f. The achievements of the Component 2 process resulted in the following blog written together by the IDB and the project team, explaining the different features of the HydroBID platforms and the involvement and participation of the different institutions towards mutual agreements for the integration of data which are now being registered in the multi-institutional contract.
<https://blogs.iadb.org/ciudades-sostenibles/en/how-to-improve-urban-planning-and-water-governance-by-strengthening-water-management-in-cities/>
- g. The sustained training efforts with the participation of officials from different institutions such as SENAMHI (National Service of Meteorology and Hydrology of Peru), SEDAPAL (Potable Water and Sewerage Service of Lima), MINAM (Ministry of Environment) and ANA (National Water Authority) towards the implementation of the HydroBID water modelling platform as part of the Component 2 activities, the installment of capacities in those institutions and the innovation for future territorial planning that this platform was presented at the event: 'Consolidating actions for the hydric sustainable management of Lima and Callao' which involved the participation of the highest authorities of the mentioned institutions, which was registered on the following video:
https://fb.watch/7M_GnbdpvC/

Recommendations:

- Considering many activities from different components are now taking place, the executing agency will need to develop a stronger monitoring strategy to ensure the integration of diagnosis and results between the different consultancies, especially between Components 1, 2 and 3. For bidding processes still in progress the executing agency needs to ensure contract and negotiation phase that all technical contents of the Terms of Reference are met for the appropriate development of the consultancies.
- For feasibility of investment projects, which are part of consultancies within the invierte.pe (national investment system) it is fundamental that the consultancies have strong inputs from local public investment specialists to device adequate design for these projects.

PROJECT MODIFICATIONS

Please report any significant modifications made to the project design since July 1st, 2020. (The basis for comparison is the Project Results Framework Matrix included in the original Request for CEO Endorsement Document.) This should be based on the Project Results Framework Matrix included in the original Request for CEO Endorsement Document.

CATEGORY	YES/NO	APPROVED BY	DESCRIPTION OF CHANGE AND EXPLANATION
Objective	No		
Outcome	No		
Output/Activities	No		
Other	No		

EXTENSIONS OR OTHER MODIFICATIONS

Has the project been granted any extension or other modification covered by the OA-420 from July 1st, 2020, until June 30th, 2021? If yes, please explain below. **As applicable, please include information on issues and solutions related to COVID-19.**

No. However, the executing agency is currently considering an extension request for the project because there is still a low achievement of the technical and financial goals, after initial delays, the COVID-19 context, and more recently, due to the fact that some processes were withheld because the terms of the consultancies were exceeding the terms of execution of the project.

LESSONS LEARNED / BEST PRACTICES

If the project generated any lessons learned or best practices during the 2020-2021 GEF Fiscal Year, please provide a short description. As applicable, please include information on issues and solutions related to COVID-19.

1. Organizational dimensions

Change in the organic management focal point in Ministry of Environment (MINAM) for technical and administrative support has allowed agile attention to the requests that are made.

Recommendations:

Maintain the current work structure and strengthen the review and supervision scheme for efficient project management.

2. Fiduciary dimensions

More experience gained in acquisition processes reflect on faster and more effective approval cycles between the implementing and executing agencies.

Recommendations:

Additional administrative support to speed up processes on behalf of the executing agency is highly recommended.

3. Technical-sectorial dimensions

There has been strengthening of the implementation agency's participation since the beginning of 2021. This involvement has resulted in a series of technical observations to consultancy products in Component 2 which need to be addressed by the project team and consultancy firms.

Recommendations:

Co-development of a monitoring and supervision strategy for consultancy services and products on behalf of the executing and implementation agencies, will be necessary to ensure fluent quality checks on products and consultancy services.

Challenges

- a. The project faced several challenges from the start. Between the project design and the project kick-off there have been two changes in authorities of the Ministry of Environment, due to general elections in one case and the presidential vacancy in another, both of which meant changes in the senior staff of the Ministry of the Environment. One of the new authorities requested a complete review of the original design, which took several months to complete. The project also required a change in the executing unit (PEU), as the original PEU's (Fondo de las Americas - FONDAM) institutional lifespan was coming to an end. The selection of a new PEU required a competitive process, which had several steps and negotiations which took several weeks to complete. WWF was selected as the new PEU and an agreement between WWF and MINAM (as project beneficiary) had to be prepared and agreed upon, requiring a negotiation process that also took several weeks to complete.

- b. Nevertheless, the environment to implement the project is quite favorable. Unlike the previous Mayor of Lima, the current Mayor, who took office at the beginning of this year, has a very good relationship with the Ministry of Environment and has a vision for the metropolitan area of Lima that is highly compatible with the goals and objectives of the project. The Mayor therefore sees that the project will contribute significantly to his management and has provided instructions to his staff to play an active role in the project. To this end, the Municipality of Lima will form part of the consulting committees that will be created for each of the topics that the project will address.
- c. Despite global COVID19 crisis, stakeholders remain involved and concerned about project's issues and tasks. Since March 2020, all meetings became virtual and gave highly satisfactory results, due to general engagement to reach main objectives. For example, both products of Component 2 had been under review for less than 3 months because of stakeholders' permanent involvement.

Successes

- a. The sustained training efforts with the participation of officials from different institutions such as SENAMHI, SEDAPAL, MINAM and SENAMHI towards the implementation of the HydroBID water modelling platform as part of the Component 2 activities, the installment of capacities in those institutions and the innovation for future territorial planning that this platform was presented at the event: 'Consolidating actions for the hydric sustainable management of Lima and Callao' which involved the participation of the highest authorities of the mentioned institutions, which was registered on the following video attached.
- b. The efforts, challenges, and success for Component 2 are told on the following blog written together by the IDB bank and the project team, explaining the different features of the HydroBID platforms and the involvement and participation of the different institutions towards mutual agreements for the integration of data which are now being registered in the multi-institutional contract.
- c. The focal point for the project initiated a symbolic reforestation of a 2,000 hectare 'green belt' project as part of management model for sustainable cities north of Lima. This project focuses on nature-based solutions and the integration of biodiversity and ecosystems into the planning of the city, representing one of the main and most important goals of this project whilst establishing the importance of these issues on the political agenda of the government. The event was held by the prime minister, MINAM minister and other high officials from other ministries.

ANNEX 1. DEFINITION OF RATINGS

Development Objective Ratings

1. **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”.
2. **Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
3. **Marginally Satisfactory (MS):** Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.
4. **Marginally 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.
5. **Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.
6. **Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

Implementation Progress Ratings

1. **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”.
2. **Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.
3. **Marginally Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.
4. **Marginally Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.
5. **Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.
6. **Highly Unsatisfactory (HU):** Implementation of **none** 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. Risks of projects should be rated on the following scale:

1. **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.
2. **Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.
3. **Modest 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 modest risks.
4. **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 modest risks.