



## Project Implementation Report

(1 July 2022 – 30 June 2023)

<b>Project Title:</b>	<i>Sustainable Industrial Zone Development in Peru</i>
<b>GEF ID:</b>	<i>9206</i>
<b>UNIDO ID:</b>	<i>150061</i>
<b>GEF Replenishment Cycle:</b>	<i>GEF-6</i>
<b>Country(ies):</b>	<i>Peru</i>
<b>Region:</b>	<i>LAC - Latin America and Caribbean</i>
<b>GEF Focal Area:</b>	<i>Chemicals and Waste (CW)</i>
	<i>Climate Change Mitigation (CCM)</i>
<b>Integrated Approach Pilot (IAP) Programs<sup>1</sup>:</b>	<i>N/A</i>
<b>Stand-alone / Child Project:</b>	<i>Stand-alone</i>
<b>Implementing Department/Division:</b>	<i>ENV / IRE</i>
<b>Co-Implementing Agency:</b>	<i>N/A</i>
<b>Executing Agency(ies):</b>	<i>Ministry of Production, Peru</i>
<b>Project Type:</b>	<i>Full-Sized Project (FSP)</i>
<b>Project Duration:</b>	<i>48 months</i>
<b>Extension(s):</b>	<i>2</i>
<b>GEF Project Financing:</b>	<i>4,114,400</i>
<b>Agency Fee:</b>	<i>462,080</i>
<b>Co-financing Amount:</b>	<i>44,457,804</i>
<b>Date of CEO Endorsement/Approval:</b>	<i>3/9/2018</i>
<b>UNIDO Approval Date:</b>	<i>3/22/2018</i>
<b>Actual Implementation Start:</b>	<i>3/30/2018</i>
<b>Cumulative disbursement as of 30 June 2023:</b>	<i>3,833,961.13</i>

<sup>1</sup> Only for **GEF-6 projects**, if applicable

Mid-term Review (MTR) Date:	7/30/2021
Original Project Completion Date:	5/31/2022
Project Completion Date as reported in FY22:	5/31/2023
Current SAP Completion Date:	12/31/2024
Expected Project Completion Date:	6/30/2024
Expected Terminal Evaluation (TE) Date:	6/21/2024
Expected Financial Closure Date:	12/31/2024
UNIDO Project Manager <sup>2</sup> :	Christian Susan

## I. Brief description of project and status overview

Project Objective	
<p><i>The Project is focus on enhancing regulatory mechanisms for sustainable industrial zone (SIZ) development and increased adoption and diffusion of low-carbon and clean technologies and practices, to reduce unintentional POPs (uPOPs), greenhouse gases (GHG), air pollutants and improve sound chemicals management in one Peruvian industrial zone.</i></p>	
<i>Project Core Indicators</i>	<i>Expected at Endorsement/Approval stage</i>
<p><i>Support to transformational shifts towards a low-emission and resilient development path.</i></p>	<p><i>Total emissions: 190,704 tCO<sub>2</sub>eq.</i></p> <p><i>At the Project Steering Committee meeting in September 30, 2021, it was agreed to update the calculation of the benefits with the official emission factor of 0.168 tCO<sub>2</sub>/MWH, informed to the Project PMU in an official letter from MINAM, including the report N° 00013-2021-MINAM/VMDERN/DGCCD/DMGEI (14.01.2021). It should be noted in the project document the electricity emission factor used was 0.5225 tCO<sub>2</sub>/MWH.</i></p>
<p><i>Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern</i></p>	<p><i>Total emission reduction:</i></p> <p><i>1,492,700 u-POPs (µg TEQ/a)</i></p>
<p><i>Number of companies adopting best practices</i></p>	<p><i>35 companies adopt clean and low carbon practices</i></p>

<sup>2</sup> Person responsible for report content

	<i>Number of policies focusing on low carbon and clean technologies developed</i>	<i>At least 3 policies drafted and submitted to the national Government (3)</i>
	<i>Number of measures proposed and adopted to enhance institutional and regulatory framework for sustainable industrial zone development</i>	<i>At least 3 institutional or regulatory enhancement instruments proposed and adopted</i>
	<i>Number of feasibility studies conducted</i>	<i>35 feasibility studies completed and submitted to companies (3)</i>
	<i>Number of representatives from governmental institutions, private sector and consultants trained in SIZ development (male/female ratio)</i>	<i>At least 30 people trained in capacity building seminars on SIZ, 30% women and 70% men. (30)</i>
	<i>Number of independent evaluations carried out</i>	<i>One mid-term evaluation and one terminal evaluation carried out</i>

<b>Baseline</b>
<p><i>Despite efforts to promote environmental management systems and regulations in recent years, Peru faces environmental challenges, most of them concentrated in regions of high industrial activity, such as Callao and Lima. Additionally, there are barriers to addressing these challenges, which include: policy and institutional framework, technology, information, delivery skills, and financing.</i></p> <p><i>The industrial activities in Lima and Callao generate a wide range of pollutants. Significant GHG emissions of industrial activities are mainly caused by agro-food, and fish processing. Chemical and uPOPs emissions are mainly produced by chemical, metal/foundries, plastic, and textile industries all emissions due to industrial operations with high heat requirements, inefficient technology (low-tech and old technology), losses due to bad insulation, and inadequate operation and maintenance. Further inadequate operation of cooling systems leads to the liberation of refrigerants agents with very high GWP (global warming potential). Substantial other air pollutants acting as precursors for GHG like NMVOC, SO<sub>2</sub>, NO<sub>x</sub>, and CO were reported. (e.g., by the Regional Health Department of Callao (DIRESA-Callao).</i></p>

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 management<sup>3</sup>, 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.

<b>Overall Ratings<sup>4</sup></b>	<b>FY23</b>	<b>FY22</b>
------------------------------------	-------------	-------------

<sup>3</sup> 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

<sup>4</sup> 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

Global Environmental Objectives (GEOs) / Development Objectives (DOs) Rating	<i>Moderately Satisfactory (MS)</i>	<i>Moderately Satisfactory (MS)</i>
<p><i>Despite the project's late start, it is projected to meet most project targets and partially meet the project's global environmental targets, which were set excessively high during the project design stage. It was brought to the attention of the PSC, who agreed to establish more realistic global environmental benefits. The change was authorized at a Project Steering Committee meeting. From the project design date to the project approval date more than five years passed the conditions in the Callao Industrial Zone changed. Since Callao is the biggest port in Peru and the Industrial Zone was increasingly pressed by logistics and households activities many companies migrated to the Lurin Industrial Zone in the South of Lima. While the project is still relevant because the regulatory updated and pilot projects can be applied to the whole country. Emission reduction cannot be achieved due to the reduced number of companies remaining in the Callao Industrial Zone. Additionally, the government of Peru updated the national grid emission factor from 0.5525 tCO2/MWh to 0.168tCO2/MWh. The environmental benefits potential was updated using the official emission factor of 0.168 tCO2/MWh, informed to the Project by MINAM, included in the report N° 00013-2021-MINAM/VMDERN/DGCCD/DMGEI (14.01.2021). It should be noted that in the project document preparation the electricity emission factor used was 0.5225 tCO2/MWh.</i></p> <p><i>As a consequence, in the PSC members requested to the PMU a technical estimation of the real emission reduction potential and agreed to reduce the target in the PSC meeting held on 30 September 2021.</i></p> <p><i>Furthermore, as a consequence of implementing measures, methods, and instruments to expand the project's awareness, feasibility studies, and investment projects to implement low carbon and reduce uPOPs emissions began to accelerate in 2023.</i></p> <p><i>At the moment the project has done 66 quick scan studies, 30 companies are actively participating and have RECP assessments completed. Furthermore, 15 companies have finalized feasibility studies and 6 companies applied for co-financing. Likewise, with the aim of adding more companies that can access the co-financing of the project, 6 additional companies with an RECP assessment completed and 8 PROMPERÚ companies with CO2 reduction projects have been invited to participate in the co-financing mechanism. On the other hand, there is also a last group of 10 companies that currently receiving technical assistance for the elaboration of their RECP and feasibility studies for low carbon and uPOPs reduction investments.</i></p>		
Implementation Progress (IP) Rating	<i>Moderately Satisfactory (MS)</i>	<i>Moderately Satisfactory (MS)</i>
<p><i>The project is achieving most of its key relevant objectives, and steps continue to be taken to accelerate project implementation.</i></p> <p><i>In order to accelerate the project, a number of measures are being taken.</i></p> <ul style="list-style-type: none"> <li><i>- As for the goal of having 35 RECP studies, at the moment 30 companies already have RECP assessments, and 10 more companies have been invited to apply to the co-financing mechanism. Additionally, 5 more companies will benefit from the RECP project's technical assistance and feasibility study. In this sense, at the end of the technical assistance process in January 2024, the established goal will be achieved.</i></li> <li><i>- As for the goal of having 35 companies adopting clean and low-carbon practices and technologies, 196 identified measures have been identified in beneficiary companies to reduce CO2 and COP NI in 30 companies. However, only 6 companies have applied for co-financing. This can be related to the socio-economic and political instability in the country,</i></li> </ul> <p><i>The PMU has initiated a monitoring process in all beneficiary companies to identify the barriers for implementing the low carbon and uPOPs technology identified. As a result we have identified the need</i></p>		

*establishing links with banks to generate synergies and encourage companies to complete their financing through green bank loans.*

**Overall Risk Rating**

*Moderate Risk (M)*

*Moderate Risk (M)*

*Project execution is proceeding as expected. There have been no significant changes from 2022 to 2023. In both years, the rating remained the same. The implementation of the co-financing mechanism has been accelerated in order to ensure uPOPs and CO2 emission reduction technologies in Callao Industrial Zone enterprises. In addition, the PMU expanded alliances with firms working on CO2 and uPOPs reduction programs.*

*In order to manage risks and keep the Global Risk Rating at a moderate level, More companies have been invited to participate. Companies supported by similar projects such as Eco-Industrial Parks, PROMPERÚ and CITE Madera companies with CO2 reduction and energy efficiency projects have been invited to participate in the project. As part of the same strategy, the database of expert consultants trained by the project is shared with these companies to carry out their feasibility study.*

## 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.

*Please fill in the below table or make a reference to any supporting documents that may be submitted as annexes to this report.*

Project Strategy	KPIs/Indicators	Baseline	Target level	Progress in FY23
<b>Component 1 – Policy framework for sustainable industrial zone development</b>				
Outcome 1.1: Regulations for the planning and management of sustainable industrial zones including policies on industrial pollution management and responsibilities in industrial zones developed and proposed to the government for approval.				
Output 1.1.1: Regulation, planning aids, and policies for sustainable industrial zone master planning developed and submitted to the government for approval.	Number of policy instruments for SIZs developed.  Number of documents outlining a roadmap for SIZ development in Peru (bearing in mind environment, social and gender dimensions) developed	Current policy instruments, such as the Law on PITES, neglect to consider sustainability (such as gender and socio-environmental aspects) for industrial zones.  Current guidelines for eco-industrial parks (EIP), and Sustainable Areas (SIA), for instance, are primarily conceptual in nature. There are currently no strategic guidelines/roadmaps for SIZ development in Peru.	At least 3 policy instruments developed (3)  Road map for Callao and Peru (including gender and environmental measures) developed and lessons learned documented (1)	A national consultant prepared a work plan to implement recommendations for improving the regulatory framework for SIZ.  The road map for SIZ development was concluded and approved by the General Direction of Environmental Affairs at PRODUCE. Following instructions of the NPD The regulatory work plan or road map will be socialised with key stakeholders in PRODUCE and will be used to carry out training process with stakeholders. A national expert a will develop a regulation for the management and promotion of sustainable industrial zones, in coordination with the Ministry of Production.  A regulatory roadmap was developed including the regulatory updates proposals for the inclusion of the definition of Sustainable Industrial Zone in Peruvian regulations has been presented.

	Number of databases with information on industrial zones in Peru and associated environmental pollutants	Current databases lack substantial information on environmental pollutants. In Peru, there are currently no databases that track volume and type of material streams, industrial output or residual flows.	At least one database on environmental pollutants caused by industry developed (1)	The PRODUCE environmental information system strengthening was completed and delivered to PRODUCE in Q1, 2022.
Outcome 1.2 Policies on financial and non-financial incentives for promoting low-carbon, clean technologies and environmentally-friendly practices developed and submitted to the government for approval				
Output 1.2.1: Proposal for financial and non-financial mechanisms and incentives drafted and submitted.	Number of financial mechanisms developed for companies in the industrial area	Currently there are no policies on fiscal and tax incentives specifically for companies located in the Callao industrial zone	At least two proposals for financial and non-financial mechanisms drafted (2)	Financial and non-financial mechanisms assessment for SIZ in Peru was finalized in Q2, 2022. In June 2022, a service provider for developed a proposal of 3 non-financial mechanisms for SIZ. The project is currently implementing and executing non-financial incentives such as the co-financing of non-refundable funds and technical assistance to the companies that are part of the project. The Project has made contact with banking institutions that have been financing sustainable projects with green credits, such as BANBIF, Interbank, Scotiabank, in order to create synergies that will favor the companies that are part of the SIZ project. Synergies have also been created with other institutions that provide financial support to sustainable projects such as Proinnovate, Promperu and Citemadera.
<b>Component 2 – Capacity building on sustainable industrial zone planning</b>				
Outcome 2.1: Improved level of expertise in sustainable industrial zone themes amongst representatives of private and public sectors				
Output 2.1.1: Training modules delivered for master planning of sustainable industrial zones.	Number of training modules  Number of people trained (male/female ratio)	Current training modules do not encompass the 6 key components of SIZ  Representatives from the public and private sectors have received no specific training in the 6 key components	At least 5 training modules developed and delivered  30 people trained, 30% women and 70% men (30)	- One high-level seminar on international best practices in SIZ planning was carried out in June 2021. - Four workshops on SIZ planning and management was completed in June 2021  Total: 66 people trained. >40% women
Output 2.1.2: Training modules delivered for resource efficient and cleaner production, clean and low-carbon technologies.	Number of training modules  Number of people trained (male/female ratio)	Current training modules do not apply the concepts of RECP to SIZ  Currently there are 447 consultants (out of 733) in PRODUCE's database with environmental advisory expertise; the majority of which are from the private sector	At least 10 training modules developed and delivered (10)  30 people trained, 30% women and 70% men (30)	-10 modules developed for RECP training completed. - 9 modules developed for Cleaner Production Voluntary Agreements completed  Total: 39 people trained > 30% women

Output 2.1.3: Training modules delivered for sound chemicals management.	Number of training modules  Number of people trained (male/female ratio)	Current training modules do not apply the concepts of sound chemicals management to SIZ  Currently there are 447 consultants (out of 733) in PRODUCE's database with environmental advisory expertise; of these there is no record of how many have been trained on sound chemical management	At least 7 training modules developed and delivered (10)  20 people trained, 30% women and 70% men (30)	- 7 modules of sound chemical management completed  Total: 32 participants > 30% women
Output 2.1.4: Upgrade of the existing national database for qualified consultants in the field of low carbon and cleaner production (RECP) and sound chemicals management	Number of databases on qualified consultants in the field of low carbon and cleaner production (RECP) and sound chemicals management	Current databases do not specify on expertise in RECP or sound chemicals management	One national registry with at least 100 qualified consultants (100)	The data base of 101 trained consultants is published in the project web page.
<b>Outcome 2.2: Improve and disseminated collaboration between companies, government and financial institutions in environmental management and concluded investments</b>				
Output 2.2.1. Technical Unit for sustainable industrial zone development established	Technical unit specific to the needs of the industrial zone developed	Currently there is no unit in Callao for environmental advisory and technical services	One proposal for a technical unit for industrial zones submitted (1)	The Project Steering Committee approved a proposal for creating a Management Technical Unit (MTU) for promoting the Sustainable industrial development of the Callao Industrial Zone.  The PMU will sign an agreement with Regional Government to jointly establish and operate the MTU. Also, the hiring of the MTU Coordinator is in process
<b>Component 3 – Pilot demonstration of clean and low-carbon technologies</b>				
<b>Outcome 3.1: Potential companies and services determined in industrial zone Callao, strategy on clean and low-carbon technology developed</b>				
Output 1.1:				
Output 3.1.1: Detailed feasibility studies for technology application and transfer and cleaner production assessments carried out.	Number of feasibility studies conducted	There are have been no feasibility studies for low carbon / Clean technology carried out in the project target area	35 feasibility studies completed and submitted to companies	- More than 200 companies identified - Of the 8 companies that applied for co-financing, 1 withdrew, 1 has already made its disbursement and 6 are in the process of applying for co-financing. There is also a group of 7 companies that have developed their feasibility study and are potential applicants for co-financing. We also have a group of 10 companies that are in the process of technical assistance and will have their RECP study and feasibility study. Finally, we have a group of 6 companies that have expressed their interest in being part of the project.
<b>Outcome 3.2: Inclusive socio-economic projects assessed and initiated.</b>				
Output 3.2.1. Set of inclusive socio-economic projects identified	Number of people benefiting from community projects (male/female)	There is currently no data on the number of people benefiting from community projects.	1,000 male; 1,000 female.	- In May 2022, a national consultant presented a Report on the identified Callao socio-economic projects. However, the implementation of the socio-economic projects are not under implementation by the Government of Callao.

	Amount of investments in socio-economic projects (USD millions)	Current and planned investments in road systems and connectivity for Callao amount to USD 900 million, but it is unclear whether they incorporate socio-economic and environmental aspects	Investment of USD 35 million in socio-economic projects	Although socio-economic projects were presented, up to now, there is no support of the Callao Government for implementation, due to constant change of authorities at local and regional level in the period between the end of 2022 and the beginning of 2023.
Outcome 3.3: Increased public awareness on sustainable industrial zones				
Output 3.3.1. Public awareness and communication events held and project results disseminated.	Number of public awareness raising events	Currently there are no recorded awareness raising events on SIZ	At least 10 public events for awareness raising carried out (10)	More than 10 awareness-raising events held.
	Number of people reached (male/female)	There is no record of community members attending awareness raising events on SIZ	At least 1000 people participate in awareness raising events (1000), 30% women and 70% men	1144 participants: 604 men. 540 women.
	Number of gender-specific training	There is no record of community members attending gender specific trainings in the project target area	At least two gender specific training (2)	Two gender specific training developed, on September 14, 2022 and March 23, 2023.
Outcome 3.4: New installations of clean technologies and practices in selected companies implemented and financed.				
Output 3.4.1 Access to alternative finance established; clean technology investment projects selected.	Number of financial mechanisms available to companies for clean and low carbon investments	The selection criteria of current financial mechanisms often limits the participation of companies from a given sector and do not target SIZ	At least 3 financial mechanisms for clean and low carbon investments	A mechanism was developed to co-finance companies' investments for reducing CO2 and uPOPs emissions.  Several companies have expressed interest in the financing process, 07 companies have started the co-financing process, and one project has already being co-financed.
Component 4 - Monitoring and Evaluation				
Outcome 4.1: Monitoring and evaluation procedures				
Output 4.1.1 Monitoring and Evaluation mechanism implemented	Number of independent evaluations carried out	No independent assessments have been carried out	One mid-term evaluation and one terminal evaluation carried out	Weekly progress report meetings (Minutes). 3 Steering Committee meetings held (Minutes) in the year 2023  Mid-term evaluation completed in June 2021 Final evaluation. Projection Q2 2024

### 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 <sup>5</sup>
1	Delay in the approval of the proposed regulations for the planning and management of sustainable industrial zones	Low	Low	The development of official guidelines, prior to the elaboration of full regulations, is expected to ensure faster approval. The institutional capacity building component of the project will provide training to the government and other stakeholders and may reduce the risk.	In close coordination with PRODUCE a national consultant prepared a set of policy-related recommendations based on policy gap analysis carried out by the project in 2021 Recommendations are being socialized, analysed and implemented by PRODUCE.	<input type="checkbox"/>
2	Lack of participation of representatives from the government, industrial zone environment committees and businesses in the trainings and / or reluctance to transfer the knowledge to other stakeholders.	Low	Low	Competences gained in the training encompass a variety of technologies, planning and environmental protection approaches; these represent a competitive advantage for the careers of the representatives trained. The endorsement from the respective institutions and the thorough selection criteria for the participants and instructors may reduce the risk.	A number of awareness-raising seminars and capacity building activities were carried out.  The local government is already involved in the project implementation. Representatives of the national and local authorities actively participate in the PSC and project activities. The target indicators are achieved in 100%.	<input type="checkbox"/>
3	Reluctance from companies to collaborate with the Regional Government of Callao and other public entities to engage with the PMU	Low	Low	The PMU will offer sub-contracting opportunities for local companies in areas such as facilities management and environmental consulting, which will help incentivise companies to join the registry and improve their collaboration with the regional authorities.	Three industrial associations have actively supported the dissemination of the benefits of the project for the industry and the environment and have organized meetings with companies' top management to motivate industries to participate in the project. Public entities as PROMPERU, PROINNOVATE are also supporting the dissemination of the benefits of the project among the companies they work with.	<input type="checkbox"/>
4	Limited number of companies willing to be assessed and interested in clean technology investments.	Low	Low	Baseline data and information on companies already gathered in the project formulation phase. This, along with dissemination workshops on opportunities for companies, should facilitate the recruitment and reduce the risk.	To date, 70 companies signed commitment letters, and 30 companies receive RECP technical assistance.	<input type="checkbox"/>
5	Limited interest in investing in socio-economic projects that change core processes of the firm.	Low	Medium	Suitable experts on socio-economic projects involving clean and low-carbon technologies will elaborate cost-benefit analysis together with the company's management, to illustrate the benefits of implementing such projects.	Local government have identified seven socio-economic projects. Although 5 projects were prioritised, they have not been actively supported by stakeholders.	<input type="checkbox"/>
6	Delay in the selection of the stakeholders to implement the awareness-raising component may affect the dissemination of results.	Low	Low	Support from the central government in the establishment of criteria for the selection of stakeholders will reduce the risk.	Stakeholders in the public and private sectors are still helping to identify and communicate with local companies in Callao. The PMU works with the private and public authorities providing carry out awareness-raising seminars to companies in Callao to showcase the benefits of the EIP Approach.  (Gobierno Regional del Callao, Sociedad nacional de Industrias, Cámara de Comercio de Lima, Asociación de Exportadores, Cámara de Comercio Peruano Suiza, Cámara de Comercio Alemana, Minisry of Environment, Ministry of Production, Reciclame Peru, among others).	

<sup>5</sup> New risk added in reporting period. Check only if applicable.

7	Lack of sufficient financial resources for investments in clean and low-carbon technologies.	Medium	Medium	The project envisages a variety of financing sources for companies including green credit lines or bank guarantees (in case of insufficient collateral), which should help improve creditworthiness and should reduce the risk of limited access to finance.	An assessment of financial and non-financial mechanisms to implement low carbon and uPOPs technologies was carried out. Meetings are being scheduled with different financial institutions in order to present the project. We are also looking forward to learning about the green financing options they are offering to the industrial sector.
8	Skilled and/or properly trained labour to operate and maintain the clean & low-carbon technology not available.	Low	Low	The implementation of the new technologies will be accompanied and supervised by the technology suppliers. Emphasis will be put on training to ensure that workers can operate and maintain the technology properly. A Technical Unit will provide continues support to companies.	Meetings were held with suppliers where they presented the offers of clean technologies in the industry. A business-to-business meeting was held in June 12 <sup>th</sup> 2023, to connect those suppliers with companies involved in the SIZ project.
9	Delays in project implementation and/or low-quality performance.	Low	Low	Following carefully the established monitoring and evaluation plan will allow for timely implementation and high-quality results.	Despite the delays in implementation, the Project activities are carried out effectively. Some output indicators and are already being achieved.
10	Increased rainfall due to climate change causes flooding and damages newly-installed equipment	Medium	Medium	Climate considerations will be made when selecting locations for installing equipment in companies.	The pilot zone of Callao did not have major weather events that could cause damage to industries in the latest years. However, there is a Disaster Risk Prevention and Reduction Plan of the Provincial Municipality of Callao, which is an instrument of the National Disaster Risk Management Policy.

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.

*The COVID-19 epidemic had a significant impact on Peruvian businesses. However, in October 2022, the Government formally abolished the state of national emergency imposed in 2020 as a result of the situations harming people's life and health as a result of covid-19 by Supreme Decree No. 130-2022-PCM.*

*The Ministry of Economy and Finance unveiled the "Con Punche Peru" plan, which was developed in a challenging international climate of slowing global development and persistent inflationary pressures, as well as in a context of social confrontations, which has had a negative influence on many economic indicators. The "Con Punche Peru" plan contains 19 initiatives with a strong social and productive component, with an emphasis on national and regional economic reactivation.*

*The PMU has resumed face-to-face work at PRODUCE offices, and businesses have been contacted again to participate in the project. Since activities in Peru have been fully reactivated, communication with the companies has improved, and continuous visits are made for the implementation and monitoring of the project.*

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

*There are minor delays in updating the regulatory framework for Sustainable Industrial Development in the Callao Industrial Zone. The project developed a regulatory roadmap currently under implementation in coordination with PRODUCE.*

*Regarding the pilot implementation in Callao, the project signed 70 commitment letters with companies in Callao, and as a result, 66 quick scans, 30 detailed RCPs, 21 feasibility studies and 196 improvement measures were identified. However, only one company has received co-financing from the non-refundable funds provided by the project. Four companies are in the process of obtaining co-financing funds as well. If project co-financing requests are not received soon the project may need an extension to utilize all resources allocated to co-financing CO2 and uPOPs emission reduction.*

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

If the project did the Mid-Term Review, please summarize the outcome and elaborate on specific actions taken towards implementing the recommendations included in the report.

NB: The information provided in this section will be used by the GEF Secretariat to measure the project's ability to adopt an adaptive management approach. This will be measured through the assignment of a project-level proactivity index.

*The project was firstly affected by the delay in implementation, and then by the Covid-19 pandemic. This generated delays in the interaction with the companies and in relation to the achievement of results. Moreover, the design of the project suffered from gaps in information regarding the baseline and the distribution of emissions between companies in Callao, and there are vulnerabilities in the strong dependence and the participation of higher emissions industries in the Callao sector. Despite these difficulties, the project currently has a consolidated Management Unit which has accelerated project implementation and can carry out actions to overcome current barriers and delays.*

- 1. Request an extension of at least one year for the execution of the project. Without this extension, the project's achievements will be seriously compromised.*
- 2. Clearly establish the criteria to be used to evaluate the project's success in mitigating climate change. One option according to the current criteria of the project would be to maintain the energy consumption reduction goals by source. Due to the discrepancy in the emission factors of the electrical matrix originally calculated vs. the current ones, this would imply a significant reduction in the total emissions goal of the project that must be assessed.*
- 3. Design a strategy to attract additional industries to meet the project goals.*
- 4. Define actions on the regulatory framework at the national and Callao level. It is essential to define in the next six months the main lines of action in the roadmap and the planning and regulatory activities. This will make it possible to establish links between technical personnel of the project and the institutions that reduce the uncertainty due to changes in authorities. The project consultancies could be conceived more as a support to the technical results of these instances by providing technical inputs on the baselines and an analysis of policy alternatives. It is suggested to build teams, in a first step internally in PRODUCE and in a second stage with relevant partners at the national and local level.*
- 5. Begin the definition - and collective discussion - of the technical scope that will guarantee the continuity of the project's actions. This should be carefully analysed and there are resources for it, and it is not of the utmost urgency. In this review, it was suggested by PRODUCE, with the support of various actors, that a CITE could be a suitable structure for this purpose. It is suggested to start conversations about alternatives early with potential partners. We recommend to call an expanded Steering Committee oriented to strategic discussion, and to consolidate an inter-institutional body with strategic goals.*

#### **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

(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 [https://intranet.unido.org/intranet/images/1/1a/AI.2017.4\\_ESSPP\\_18July2017.pdf](https://intranet.unido.org/intranet/images/1/1a/AI.2017.4_ESSPP_18July2017.pdf) (ESSPP) on how to report on E&S issues.*

Please expand the table as needed.

	<b>E&amp;S risk</b>	<b>Mitigation measures undertaken during the reporting period</b>	<b>Monitoring methods and procedures used in the reporting period</b>
<b>(i)</b> Risks identified in ESMP at time of CEO Endorsement	1. Delay in the approval of the proposed regulations for the planning and management of sustainable industrial zones.	Close coordination with <i>PRODUCE</i> and the national consultant to the socialization and implementation of the recommendations of the regulatory roadmap.	PMU will follow up with relevant national institutions and report to the NPD monthly.
	2. Lack of participation of representatives from the government, industrial zone environment committees and businesses in the trainings and / or reluctance to transfer the knowledge to other stakeholders.	Follow-up to invitations and confirmations of attendance.	NPC will keep track of the responses from key stakeholders.
	3. Reluctance from companies to collaborate with the Regional Government of Callao and other public entities to engage with the PMU	Companies have been invited through other organisations in order to increase participation.	PMU will keep report monthly to the NPD the response from Calla Government to implement the SIZ approach.
	4. Limited number of companies willing to be assessed and interested in clean technology investments.	Companies have been invited through other organisations in order to increase participation.	NPC will keep track of the company's process to fulfil the co-financing mechanisms and propose innovative approaches to the NPD.

	<p>5. Limited interest in investing in socio-economic projects that change core processes of the firm.</p> <p>6. Delay in the selection of the stakeholders to implement the awareness-raising component may affect the dissemination of results.</p> <p>7. Lack of sufficient financial resources for investments in clean and low-carbon technologies.</p> <p>8. Skilled and/or properly trained labour to operate and maintain the clean &amp; low-carbon technology not available.</p> <p>9. Delays in project implementation and/or low-quality performance.</p> <p>10. Increased rainfall due to climate change causes flooding and damages newly-installed equipment</p>	<p>Follow-up with stakeholders in case there is interest in implementing socio-economic projects.</p> <p>Stakeholder contact and outreach.</p> <p>Non-financial mechanisms (technical assistance and non-refundable co-financing) are being implemented. Financial institutions have also become aware of the project and synergies are being created to offer green finance to ZIS project companies.</p> <p>Business-to-business to connect those suppliers of sustainable technology with companies involved in the SIZ project,</p> <p>Monthly activity scheduling and continuous follow-up of their progress.</p> <p>Monitoring news on climatic conditions that may affect Callao</p>	<p>Monthly reports to the NPD.</p>
<p>(ii) New risks identified during project implementation (if not applicable, please insert 'NA' in each box)</p>	<p>Delay in the implementation of technologies in the project companies</p>	<p>Promotion of the project and the co-funding process has been prioritized.</p>	<p>N/A.</p>

## 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).

*The project team has identified new key actors for the development of the project and has established a contact with public institutions and business associations that promote low-carbon and clean technologies. In addition, at the third extraordinary session of the steering committee, stakeholders renewed their commitment to the ZIS project.*

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

N/A

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

*Please list here the documents which will be submitted in addition to the report, e.g.:*

- *Project Steering Committee minutes*
- *Regulatory Roadmap of de SIZ Project.*

*All attachments are to be named as per the GEF required format, i.e.: "GEFID\_Document Title", e.g. 9714\_PSC minutes.*

## 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),.

*The Project Management Unit is composed of 3 women (National Coordinator, Technical Coordinator and Assistant). As reported in the MTR: In the industrial sector, with little historical presence of women, this should be understood as an achievement of the project.*

*In performance terms, the project foresaw a set of gender indicators in its activities, which have been achieved. Also, two gender specific training developed, on September 14, 2022 and March 23, 2023.*

## 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 targets for the training modules were met satisfactorily. In August 2022, the workshop on Cleaner Production Agreements was held. In October of the same year, the I International Forum on Sustainable Industrial Zones was held; this event was attended by government officials, private sector representatives and consultants.*

*In June of this year, a workshop on "Renewable Energy Potential" was held in coordination with the Regional Government of Callao.*

*The organization of the II International Forum on Sustainable Industrial Zones is planned for October of this year.*

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

*Please list the relevant knowledge management mechanisms/tools and any documents that will be submitted in addition to the report, e.g.:*

- *online information exchange/sharing platforms*
- *relevant technical reports*
- *Link to project websites, videos, publications*
- *flyers, etc.*

All attachments are to be named as per the GEF required format, i.e.: "GEFID\_Document Title", e.g. 9714\_Flyer.

## 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.

*Progress:*

*Several of the goals set out in the Project have been achieved. However, the recruitment of companies interested in participating in the SIZ Peru project and in obtaining co-financing for their projects with an impact on reducing unintentional POPs and CO2 emissions is slow and now it is the priority of the PMU. Significant advances have been due to the continued support and commitment of PRODUCE and the national and international stakeholders.*

### **Component 1 Policy framework for sustainable industrial zone development**

*According to the previous implementation report, there is an extensive regulatory framework for environmental pollution of industry in Peru with limited enforcement, there aren't specific policies or regulations for industrial zones development, which becomes one of the major constraints to promote sustainable development of industrial zones.*

*A national consultant developed the roadmap for the regulatory development of Sustainable Industrial Zones (SIZ), based on the need to consolidate "sustainability" as a condition for the development of industrial spaces and activities.*

*In addition, the Roadmap establishes a definition and scope of a sustainable industrial zone. This definition has also been used in the proposed Supreme Decree that modifies the environmental management regulation for the manufacturing industry and domestic trade, approved by Supreme Decree N° 017-2015-PRODUCE. The roadmap also proposes a series of regulatory changes that will contribute to the development of a sustainable industrial zone.*

*Financial and non-financial mechanisms assessment for SIZ in Peru was finalized in 2022, a service provider for developing a proposal of 3 non-financial mechanisms for SIZ.*

### **Component 2. Capacity building on sustainable industrial zone planning**

*The targets for the training modules were met satisfactorily, respecting the established gender percentages. In August 2022, the workshop on Cleaner Production Agreements was held. In October of the same year, the I International Forum on Sustainable Industrial Zones was held; this event was attended by government officials, private sector representatives and consultants. In June of this year, a workshop on "Renewable Energy Potential" was held in coordination with the Regional Government of Callao. The organization of the II International Forum on Sustainable Industrial Zones is planned for October of this year.*

*The projects count with a data base of 101 qualified consultants in the field of low carbon and cleaner production (RECP) and sound chemicals management; this data base was published in the project web page.*

*Likewise, the Technical Unit for sustainable industrial zone development has been coordinating with the Callao Regional Government.*

*This Technical Unit proposal was approved by Steering Committee of SIZ Project. Also, the project is*

development de UT Constitution Accord with Regional Government.

### **Component 3: Pilot demonstration of clean and low-carbon technologies**

More than 200 companies identified, 70 letters of interest signed, 66 Quick scan studies completed with uPOPs and CO2 emission baselines, 30 detailed RECP through technical assistance and 21 companies developing feasibility studies.

The evaluation of these 30 companies includes 196 identified improvement measures and an estimated savings of 9.9 thousand tCO<sub>2</sub>/y and 0.4 gEQT/y. They also involve S/. 33 million in estimated investments and S/. 12 million in estimated savings per year.

About the inclusive socio economic projects, In May 2022, a national consultant presented a Report of 5 socio-economic projects identified in Callao. However, the implementation of the socio-economic projects didn't have the stakeholders' support.

More than 10 public awareness events were held, in which 1,144 people participated, including 504 women and 604 men. 1144 participants: 604 men. Also, two gender specific training developed, on September 2022 and March 2023.

### **Component 4: Monitoring and Evaluation**

A national consultant oversees the monitoring and evaluation of the project in accordance with GEF and UNIDO requirements, as well as the monitoring of project indicators.

There is also a weekly progress report for PRODUCE and UNIDO, as well as annual and semi-annual reports for UNIDO, in addition to the reports that are regularly prepared at the request of PRODUCE to verify progress.

Project Steering Committee (PSC) meetings are held semi-annually or in extraordinary sessions, where both project progress and proposed implementation strategies requiring high-level decisions are discussed. In June 2023, a project progress report was conducted at the last PSC to report on project performance to date and identify potential risks to progress towards project outcomes.

### **Challenges**

The main risk of the project is related to the pilot implementation and co-financing of non-refundable funds provided by the ZIS Project for companies adopting clean and low-carbon practices, since only one company has received the actual disbursement of the non-refundable funds provided by the project.

Although four other companies are also in the process of obtaining co-financing funds, the promotion of the project and its benefits is being strengthened in order to attract more companies.

### **Outcomes:**

The project has a regulatory roadmap in the process of implementation.

Also, almost all the goals of component 2 were completed, since the technical unit is in the process of implementation.

On the other hand, 01 company has already received the co-financing disbursement and 4 are in the process of receiving it.

In June 2023, an extraordinary meeting of the Project Steering Committee was held, with the active participation of the members, in which the activities carried out to date and the goals achieved in each of the 4 components were explained.



--

2. Please briefly elaborate on any **minor amendments**<sup>6</sup> 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	
<input type="checkbox"/>	Components and Cost	
<input type="checkbox"/>	Institutional and Implementation Arrangements	
<input type="checkbox"/>	Financial Management	
<input type="checkbox"/>	Implementation Schedule	<i>One-year extension, year of project completion 2024.</i>
<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.

*Please provide a description of the main expenditures during the reporting period. Analysis and description should be based on UNIDO disbursement figures extracted from the SAP grant-level financial report, as well as on financial utilization and disbursement report(s) submitted by Project Executed Agency(ies) (PEAs), for projects executed through PEAs (actual reports PEA financial reports to be annexed to the PIR).*

*Describe the current status of co-financing funds mobilization activities and the related implications for project implementation. Provide information on status of obtained / mobilized co-financing, etc. as per CEO Endorsement/Approval document.*

**Progress**

*During the reporting period, the main expenditures were focused on the achievement of the objectives. In component 1, the main expenditure was the service for the development of the normative roadmap for the development of Sustainable Industrial Zones, based on the need to consolidate "sustainability" as a*

<sup>6</sup> 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%.

*condition for the development of industrial spaces and activities.*

*There were also costs related to the evaluation of financial and non-financial mechanisms for small and medium-sized enterprises in Peru and services for the elaboration of a proposal for 3 non-financial mechanisms for SIZs.*

*The main expenses of component 2 were focused on the realization of different training sessions such as the international seminar on best practices for sustainable industrial zone planning and workshops on SIZ planning and management; as well as the service to consolidate the national database for qualified consultants in the field of low carbon and cleaner production (RECP) and sound chemicals management.*

*Regarding component 3, expenses were spent for technical assistance in the realization of quick scan and RECP; and for the national consultant that presented Report on the identified Callao socio-economic projects.*

*Expenditures were also made for the implementation of events to increase public awareness on sustainable industrial zones, and for the contracting of the service for the development of a mechanism to co-finance companies' investments to reduce CO2 emissions and uPOPs.*

*Project management costs were also incurred.*

*About the co-financing companies, disbursements of US \$ 40,532 have been made until May 2023, as well as the payment of US\$ 21,500 to the fund management company, as agreed in the contract for the provision of services related to the management of a trust fund to co-finance investment projects on cleaner and low-carbon technologies in Callao Industrial Zone in Peru.*

*The budget and expenditures are shown in the table below for the period 01 July 2022 to 30 June 2023.*



## Grant Delivery Report

Grant:	2000003894
Sponsor:	400150 - GEF - Global Env Facility
Other Reference:	9206-U3-PJ-FS-GR-01

Project	Project Description	Country	Region
150061	SUSTAINABLE INDUSTRIAL ZONE DEVELOPMENT IN PERU	Peru	The Americas

	Description	Released Budget Current Year (a)	Obligations Current Year (b)	Disbursements Current Year (c)	Expenditures Current Year (d=b+c)
<b>150061</b>					
150061-1-01-01	1.1.1 Regulation, planning aids, policies	41,724.30	6,184.58	16,368.91	22,553.49
150061-1-01-04	1.2.1 Proposal for mechanisms/incentives	69,069.39	10,364.08	7,570.60	17,934.68
150061-1-02-01	2.1.1 Training modules for SIZ planning	46,067.48	4,842.99	15,261.81	20,104.80
150061-1-02-02	2.2.1 Technical Unit for SIZ development	33,706.65	3,495.28	9,058.20	12,553.48
150061-1-02-04	2.1.2 RECP training modules	4,283.40	1,320.27	1,384.89	2,705.16
150061-1-02-05	2.1.3 Sound chemical management training	7,929.24	0.00	1,224.23	1,224.23
150061-1-02-06	2.1.4 Upgrade of national database	2,500.00	0.00	0.00	0.00
150061-1-03-01	3.1.1 Feasibility studies and assessment	175,041.34	(4,120.29)	77,864.64	73,744.35
150061-1-03-02	3.4.1 Access to alternative finance	1,175,189.41	1,030,108.52	143,830.81	1,173,939.33
150061-1-03-05	3.2.1 Inclusive socio-economic projects	21,637.43	20,116.59	1,496.15	21,612.74
150061-1-03-06	3.3.1 Public awareness and events	25,771.68	4,075.70	15,398.70	19,474.40
150061-1-51-01	Project Management Cost (PMC)	12,263.68	8,630.24	3,230.99	11,861.23
150061-1-53-01	4.1.1 Monitoring & evaluation mechanism	121,226.03	607.43	10,742.47	11,349.90
<b>150061</b>	<b>Total</b>	<b>1,736,410.03</b>	<b>1,085,625.39</b>	<b>303,432.40</b>	<b>1,389,057.79</b>
<b>2000003894</b>	<b>USD Total</b>	<b>1,736,410.03</b>	<b>1,085,625.39</b>	<b>303,432.40</b>	<b>1,389,057.79</b>

\* Does not include Unapproved Obligations

### 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.

*Please fill in the below table or make a reference to a file, in case it is submitted as an annex to the report.*

#### **Work Plan 2023 - 2024**

*Brief: As part of the Work Plan for the last year of the ZIS Peru Project, the socialization and validation of the SIZ roadmap in Peru is planned, as well as the development of at least 02 regulatory projects to be submitted to PRODUCE. The development of strategic alliances with 02 banking institutions is also planned to strengthen green financing.*

It is also planned to sign the Act of Constitution of the UT with the Regional Government, which implies the hiring of the UTG Coordinator, a cost that will be assumed by the project for 08 months.

For component 3, detailed quick scans and RECPs are foreseen for which technical assistance services will need to be contracted. It is also foreseen to provide co-financing to the enterprises for the total amount committed, to achieve this, we are establishing partnerships with institutions with a portfolio of companies that are developing Co2 reduction and uPOP projects.

It is also planned, as part of awareness-raising, to produce different types of dissemination material such as videos, infographics and others, for which the necessary services will be required. The II International SIZ Forum and the II Business Roundtable will also be held.



## 1. WorkPLAN – Component 1 – Policy framework for sustainable industrial zone development

### 1.1. Regulations for the planning and management of sustainable industrial zones

Regulation, planning aids, and policies for sustainable industrial zone master planning developed and submitted to the government for approval.

- Socialization and validation validation of the SIZ roadmap with the PRODUCE team and the stakeholders, this activity will be coordinated with the National Director and the National Cordinator of the project.
- Development of at least 02 regulatory projects to be submitted to PRODUCE, this work will be coordinated with PRODUCE and will be the result of the validation of the roadmap. The regulatory projects will be realized by a national consultant.

## 1. WorkPLAN – Component 1 – Policy framework for sustainable industrial zone development

### 1.2. Policies on financial and non-financial incentives

1.2 Policies on financial and non-financial incentives for promoting low-carbon, clean technologies and environmentally-friendly practices developed and submitted to the government for approval



- Development of strategic alliances with 02 new banking institutions is also planned to strengthen green financing. The national institutions selected are BCP and Interbank.
- Coordination is also taking place with institutions such as Proinnovate, Promperu, among others, which provide support to companies to co-finance CO2 reduction projects.



## 2. WorkPLAN – Component 2 – Capacity building on sustainable industrial zone planning

### 2.2.1. Collaboration between companies, government and financial institutions

• Technical Unit for sustainable industrial zone development established



- Implementation of the Technical Unit for promoting the Sustainable industrial development of the Callao Industrial Zone.
- The PMU will sign an agreement with Regional Government to establish and operate the Technical Unit.
- The SIZ Project will hire to the Technical Unit Coordinator.

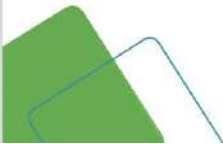
### 3. WorkPLAN – Pilot demonstration of clean and low-carbon technologies

#### 3.1. Potential companies and services determined in industrial zone Callao

- Detailed feasibility studies for technology application and transfer and cleaner production assessments carried out.



- Reach 35 feasibility studies presented by companies (currently 21 feasibility studies were presented to the project).
- Add to the project PEI (6), and PROMPERU (36) companies, as they are implementing CO2 reduction projects.
- Alliance with the University of Callao and its Innovation Laboratory to carry out permanent awareness-raising actions through the development of infographics and video.



### 3. WorkPLAN – Pilot demonstration of clean and low-carbon technologies

#### 3.3. Increased public awareness on sustainable industrial zones

Public awareness and communication events held and project results disseminated.



- Alliance with the University of Callao and its Innovation Laboratory to carry out permanent awareness-raising actions through the development of infographics and videos.
- Communications strategy focused on benefits: ZIS ambassadors programme, such as Intelligenio Company (B2B Roadshw participant).
- Media coverage on the ZIS Project.
- II International ZIS Forum will be held in october.
- Development of the II B2B Roadshow.



### 3. WorkPLAN – Pilot demonstration of clean and low-carbon technologies

#### 3.4. New installations of clean technologies and practices in selected companies

Access to alternative finance established; clean technology investment projects selected.



- Provide co-financing to the enterprises for the total amount committed, to achieve this, we are establishing partnerships with public and private institutions with a portfolio of companies that are developing Co2 reduction and uPOP projects.
- Database of loans granted to ZIS companies.



	Description	Total Agreement Budget (e)	Released Budget (f)	Obligations + Disbursements (g)	Funds Available* (h=f-g)	Support Cost (i)	Total Expenditures (j=g+i)
150061							
150061-1-01-01	1.1.1 Regulation, planning aids, policies	USD	USD	USD	USD	USD	USD
150061-1-01-01	Total	179,572.53	179,572.53	160,401.72	19,170.81	15,238.09	175,639.81
150061-1-01-04	1.2.1 Proposal for mechanisms/incentives	USD	USD	USD	USD	USD	USD
150061-1-01-04	Total	111,176.79	111,176.79	60,042.08	51,134.71	5,704.00	65,746.08
150061-1-02-01	2.1.1 Training modules for SIZ planning	USD	USD	USD	USD	USD	USD
150061-1-02-01	Total	92,704.47	92,704.47	66,738.39	25,966.08	6,340.38	73,078.77
150061-1-02-02	2.2.1 Technical Unit for SIZ development	USD	USD	USD	USD	USD	USD
150061-1-02-02	Total	131,906.23	131,906.23	110,648.26	21,257.97	10,521.59	121,169.85

150061-1-02-04	2.1.2 RECP training modules	USD	USD	USD	USD	USD	USD
150061-1-02-04	Total	80,376.21	80,376.21	78,797.97	1,578.24	7,485.85	86,283.82
150061-1-02-05	2.1.3 Sound chemical management training	USD	USD	USD	USD	USD	USD
150061-1-02-05	Total	64,479.56	64,479.56	57,774.55	6,705.01	5,488.62	63,263.17
150061-1-02-06	2.1.4 Upgrade of national database	USD	USD	USD	USD	USD	USD
150061-1-02-06	Total	2,500.00	2,500.00	0.00	2,500.00	0.00	0.00
150061-1-03-01	3.1.1 Feasibility studies and assessment	USD	USD	USD	USD	USD	USD
150061-1-03-01	Total	561,464.35	561,464.35	460,167.36	101,296.99	43,715.74	503,883.10
150061-1-03-02	3.4.1 Access to alternative finance	USD	USD	USD	USD	USD	USD
150061-1-03-02	Total	2,233,955.12	2,233,955.12	2,232,705.04	1,250.08	212,107.00	2,444,812.04
150061-1-03-05	3.2.1 Inclusive socio-economic projects	USD	USD	USD	USD	USD	USD
150061-1-03-05	Total	86,335.04	86,335.04	86,421.28	(86.24)	8,199.44	94,620.72
150061-1-03-06	3.3.1 Public awareness and events	USD	USD	USD	USD	USD	USD
150061-1-03-06	Total	164,445.05	164,445.05	160,129.74	4,315.31	15,024.08	175,153.82
150061-1-51-01	Project Management Cost (PMC)	USD	USD	USD	USD	USD	USD
150061-1-51-01	Total	216,975.20	216,975.20	216,555.28	419.92	20,574.35	237,129.63
150061-1-53-01	4.1.1 Monitoring & evaluation mechanism	USD	USD	USD	USD	USD	USD
150061-1-53-01	Total	188,109.45	188,109.45	78,233.32	109,876.13	7,432.24	85,665.56
150061	Total	4,114,000.00	4,114,000.00	3,768,614.99	345,385.01	357,831.38	4,126,446.37

## X. Synergies

### 1. Synergies achieved:

*Eco-industrial parks: The development of a national project on eco-industrial parks is underway and was*



launched in March 2021 and is creating synergies with the GEF project on development of a policy framework for sustainable industrial zones.

PROMPERU, PROINNOVATE: these are public institutions that have a portfolio of companies that are adopting clean and low-carbon technologies. In this sense, we are coordinating with these institutions to add these companies to the ZIS Project.

### 3. Stories to be shared (Optional)

Please provide a brief summary of any especially interesting and impactful project results that are worth sharing with a larger audience, and/or investing communications time in. Please include links to any stories/videos available online.

## XI. GEO LOCATION INFORMATION

### Geolocalizar el proyecto

The Location Name, Latitude and Longitude are required fields insofar as an Agency chooses to enter a project location under the set format. The Geo Name ID is required in instances where the location is not exact, such as in the case of a city, as opposed to the exact site of a physical infrastructure. The Location & Activity Description fields are optional. Project longitude and latitude must follow the Decimal Degrees WGS84 format and Agencies are encouraged to use at least four decimal points for greater accuracy. Users may add as many locations as appropriate.

Web mapping applications such as [OpenStreetMap](#) or [GeoNames](#) use this format. Consider using a conversion tool as needed, such as: <https://coordinates-converter.com>

Please see the Geocoding User Guide by clicking [here](#)

Location Name	Latitude	Longitude	Geo Name ID	Location and Activity Description
<a href="#">Callao, Perú</a>	<a href="#">-12.062797</a>	<a href="#">-77.137218</a>		
<a href="#">Lima Metropolitana</a>	<a href="#">-12.062107</a>	<a href="#">-77.036526</a>		

Please provide any further geo-referenced information and map where the project interventions is taking place as appropriate.



## EXPLANATORY NOTE

1. **Timing & duration:** Each report covers a twelve-month period, i.e. 1 July 2022 – 30 June 2023.
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	
<b>Highly Satisfactory (HS)</b>	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".
<b>Satisfactory (S)</b>	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.
<b>Moderately Satisfactory (MS)</b>	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.
<b>Moderately Unsatisfactory (MU)</b>	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.
<b>Unsatisfactory (U)</b>	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.
<b>Highly Unsatisfactory (HU)</b>	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)	
<b>Highly Satisfactory (HS)</b>	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".
<b>Satisfactory (S)</b>	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.
<b>Moderately Satisfactory (MS)</b>	Implementation of <u>some</u> components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.
<b>Moderately Unsatisfactory (MU)</b>	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.
<b>Unsatisfactory (U)</b>	Implementation of <u>most</u> components is <u>not</u> in substantial compliance with the original/formally revised plan.
<b>Highly Unsatisfactory (HU)</b>	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:	
<b>High Risk (H)</b>	There is a probability of greater than <b>75%</b> that assumptions may fail to hold or materialize, and/or the project may face high risks.
<b>Substantial Risk (S)</b>	There is a probability of between <b>51%</b> and <b>75%</b> that assumptions may fail to hold or materialize, and/or the project may face substantial risks.
<b>Moderate Risk (M)</b>	There is a probability of between <b>26%</b> and <b>50%</b> that assumptions may fail to hold or materialize, and/or the project may face only moderate risk.
<b>Low Risk (L)</b>	There is a probability of up to <b>25%</b> that assumptions may fail to hold or materialize, and/or the project may face only low risks.