PROJECT IMPLEMENTATION REPORT

Project ID:	10817
Project Name:	Sustainable energy systems for urban-industrial development in South Africa
Countr(ies):	South Africa
Implementing Agency:	UNIDO

TABLE OF CONTENTS

I. OVERVIEW 3
A. Description 3
B. Ratings and Disbursements 3
C. Key Dates 3
II. PROGRESS STATUS AND ISSUES 4
A. Progress: Information on progress and outcomes of project implementation activities 4
B. Challenges: Information on challenges of project implementation activities 6
C. Stakeholder Engagement 6
D. Gender Equality 7
E. Knowledge Management 7
III: MINOR AMENDMENTS 7
IV: GEOGRAPHIC COORDINATES OF PROJECT ACTIVITIES 8
V. ANNEX 9

I. Overview

A. Description

Project name
Sustainable energy systems for urban-industrial development in South Africa

Country
South Africa

GEF ID	Implementing Agency
10817	UNIDO

Executing Entity
National Cleaner Production Centre of South Africa (NCPC-SA)

Trust Fund	Project Type
GET	MSP

PIR Submission	Fiscal Year , PIR Number
9/15/2025	FY 2025 , 2nd PIR

Objective
Reducing GHG emissions and other environmental and social impacts by accelerating the decarbonization of industrial parks addressing both the energy supply and demand side

B. Ratings and Disbursements

Implementation Progress	Development Objective
Moderately Unsatisfactory	Moderately Unsatisfactory

Overall risk
Substantial

Project Financing	Cumulative Disbursement
1,335,596.00	712,916.68

C. Key Dates

CEO Endorsement/Approval	Agency Approval
8/16/2022	5/1/2024

Implementation Start	First Disbursement
10/31/2022	1/30/2024

Expected MTR	Actual MTR
5/31/2025	
Expected Completion	Actual Completion
8/31/2026	

II. PROGRESS STATUS AND ISSUES

A. Progress: Information on progress and outcomes of project implementation activities

Narrative assessment

- Output 1.1.1 Draft coordination plans were developed for the six parks (**Annex A**). Extended stakeholder meetings were held in four parks (**Annex B).**
- Output 1.1.2 Draft ToR were developed for the design of a web-based data system. A demo session was also attended with a potential existing system that could be used to address the web-based data system requirements (**Annex C**).
- Output 1.1.3
  - Draft ToR are in process of being developed for the procurement of a service provider to develop the recommendations for best practices and guideline on how to approach energy analysis and strategies at IP/SEZ
  - Draft ToR were developed for Policy Roadmap that contains proposals for regulatory and financial aspects related to energy demand and supply (**Annex D**)
- Output 2.1.1 Daft selection criteria framework was developed by the PMU to select 3 pilot projects (**Annex E**). This will be further developed into a selection matrix with the assistance of Council for Scientific and Industrial Research (CSIR) to present to the Technical Working Group (TWG) for inputs to present to the PSC with pilot selection for approval.
- Output 3.1.3 An industrial spaces conference is planned to take place in October 2025 and will incorporate the activities and create discussion platforms that affect all current NCPC-SA projects.
- Output 4.1.1: An independent consultant was recruited by UNIDO to conduct the mid-term review (MTR). The MTR is ongoing and expected to be finalized in September 2025.
- Two PSC meetings took place during the reporting period on 9 December 2024 and 25 June 2025 respectively (**Annex F**).

Project risk assessment

#	Description of the risk	Risk level FY24	Risk level FY25	Mitigation measures in FY25	Newly defined risk compared to CEO stage
1	National Government ministries remove their support for the project or are less involved, including due to political or social change. This risk also entails lack of support and engagement from the relevant ministries and institutions	Low Risk (L)	Low Risk (L)	The Project has been given permission to be executed by the Department of Trade, Industry and Competition. UNIDO has received the letter of endorsement from Ministry of Environment for the project activities. Further Ministries will be involved as implementing partners closely in the project to ensure their participation. The Ministries are part of the current National Steering Committee.	☐
2	Co-finance partners remove support for the project	Low Risk (L)	Low Risk (L)	UNIDO continued to engage with IDC and DBSA during the course of the	

				reporting period. Worth noting is that IDC and DBSA have started planning a complementary initiative aimed at decarbonizing SEZs in South Africa. Through this initiative IDC and DBSA have agreed to collaborate with UNIDO through the GEF 7 project.	
3	Local municipalities and IPs / SEZs remove support for the project (e.g., by change of government or changing priorities)	Moderate Risk (M)	Moderate Risk (M)	The project has started engaging with key stakeholders via the extended stakeholder workshops. This platform will serve as a mechanism to get the buy in from municipalities and unearth any challenges that might arise.	
4	Lack of interest from local authorities to support and coordinate the projects	Low Risk (L)	Moderate Risk (M)	The coordination plans and extended stakeholder workshops will be key in mitigating this risk	
5	Accessibility of reliable energy data for energy database, e.g. due to confidentiality and competitiveness	Low Risk (L)	Moderate Risk (M)	One of the challenges encountered was the openness of companies to the energy audit process. To mitigate this the PMU has focused on strengthening their approach through the coordination plans, communicating clear project objectives to reflect how the data will contribute to the project outcomes	
6	Investors are not interested in pilot activities	Low Risk (L)	Low Risk (L)	DBSA and IDC have been engaged to understand their investment criteria	
7	The pilot projects cannot be implemented and commissioned as planned in accordance with the expected performance.	Low Risk (L)	Substantial Risk (S)	The project has faced major delays. To mitigate this risk, the project will collaborate with other active projects that have already identified potential pilot projects such as the Global Eco Industrial Parks Programme	
8	Inadequate support/will from local authorities and other stakeholders to commit to strategies, policies and regulations	Low Risk (L)	Moderate Risk (M)	The project will implement the coordination plans	
9	Other cities are not attracted by the outreach activities	Low Risk (L	Low Risk (L	The project will host roundtables, and use the existing stakeholder network at NCPC-SA to promote project activities	
10	Social and Gender Risk Resistance against or lack of interest in the project activities from stakeholders, especially with regard to the active promotion of gender equality. Low participation rates of suitable female candidates due to lack of interest, inadequate project activity or missing qualified female population within the i.e., engineering sector.	Moderate Risk (M)	Moderate Risk (M)	The project will appoint a gender expert to advise on the implementation of the gender action plan	

Environmental and Social risk assessment

#	Description of the ESS risk	Is the risk monitored?	Was the risk triggered in FY25?	If triggered in FY25, describe mitigation measures	Newly defined ESS risk compared to CEO stage

	Increasing GHG emissions due to selection of clean technology	Yes	No		☐
	IPs lack the capacity/awareness to properly identify and mitigate the E&S risks related to their technology	Yes	No		
	Pilot project has a negative social or environmental impact on workers or beneficiaries (e.g., hazardous materials)	Yes	No		
	Potential adverse impacts of the intervention on women, e.g., due to an inequitable access to project benefits	Yes	No		
	Low participation rates of youth in project	Yes	No		
	Increase in carbon emissions due to travel, meetings, training and events related to the project	Yes	Yes	Some of the meeting e.g. PSC and Technical Working Group were hosted in virtual form	
	COVID-19 related health risks	Yes	No		
	Climate change risks that may affect the IPs supported under the project	Yes	No		

MTR main findings and Adaptive Management strategy to address MTR recommendations

The MTR is currently ongoing and expected to be finalized in September 2025. The main findings will be presented in the next PIR.

Possible extensions

The project is facing some delays as explained in this report, and project activities are unlikely to be completed by the end date. The project will look into the key findings from the MTR once finalized; based on which a potential extension could be requested.

B. Challenges: Information on challenges of project implementation activities

Narrative assessment

The project encountered several challenges, including:

- Memorandum of Agreement (MoA) delays: According to company policy, the NCPC-SA cannot undertake any work within industrial parks or SEZs without a signed MoA between the industrial park management entity and the CSIR. This requirement led to significant delays, as the signing process was prolonged in several parks. As of now, agreements for the East London IDZ and Ekandustria remain outstanding.
- Tenant non-participation: Under Output 2.1 of the project, a key challenge arose when a tenant refused to participate in the audit process. This challenge was further exacerbated when the appointed consultants were unable to collect critical data for conducting assessments analysis at 7 other company sites, which caused significant delays in completion of energy assessments. These delays together with the lapsing of the contractor supplier agreement before any assessments could be completed, resulted in the suspension of the contract with the appointed consultants, and no work could be carried out further.
- Internal structural issues: The project also faced internal challenges when the Senior Project Manager responsible for leading the initiative was dismissed from the NCPC-SA. This necessitated the restructuring of the project team to ensure continued implementation and support.
- Non-engagement with participating parks: Due to the project manager leaving the NCPC-SA at a critical time of the project, two parks were not engaged actively in the activities of the project, this includes Ekandustria and Atlantis SEZ.

- Support governance entities were not constituted earlier. The Technical Working Group was only established in April 2025 in preparation of Workplan 2. The lack of a technical working group during the course of Workplan 1 created a vacuum of technical insights and direction in the national context of IPs and SEZs.

C. Stakeholder Engagement

Narrative assessment
• The project will be presented at the Manufacturing Indaba on 16 July 2025. Manufacturing Indaba is an annual event dedicated to driving Africa's industrialization and fostering innovation across the continent. • Extended stakeholder meetings took place in four parks (**Annex B**) • The coordination plans foresee roundtable sessions to be conducted on a quarterly basis (not started yet)

D. Gender Equality

Narrative assessment
• A gender action plan was developed and as the project is now starting its process of delivering technical outputs, the inclusion and monitoring of gender-sensitive indicators are also set to be included into these processes. • A gender expert was recently engaged as part of the PMU re-structuring and will be responsible for monitoring the implementation of the gender action plan. • It was proposed at the last PSC (on 25 June 2025) to establish a Working Group focusing on Gender. • An introductory meeting was held with the chairperson of SAFEE (South African Females in Energy Efficiency) for potential collaboration.

E. Knowledge Management

Narrative assessment *(This section is specific to GEF-7 Impact Programs and GEF-8 Integrated Programs)*
• The project advertorial was published at the Manufacturing Indaba conference book (see **Annex G**).

III: Minor Amendments

CONTEXT	
Result Framework	
Components and Cost	
Institutional And Implementation Arrangements	

Financial Management	
Implementation Schedule	
Executing Entity	
Executing Entity Category	
Minor Project Objective Change	
Safeguards	
Risk Analysis	
Increase of GEF Financing up to 5%	
Co-Financing	
Location of Project Activity	
others	

IV: Geographic Coordinates of Project Activities

Location Name	Latitude	Longitude	GeoName ID
Atlantis Special Economic Zone	-33.59432	18.47250	3,370,352

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Coega Special Economic Zone	-33.79603	25.6679	964,420

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
East London Industrial Development Zone (ELIDZ	-33.79603	25.6679	1,006,984

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Ekandustria	-25.69627	28.7023	1,105,725

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
PhuthaditjhabaIndustrial Park	-28.52763	28.8965	965,401

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Umbogintwini Industrial Complex	-30.01657	30.90392	946,228

Location Description:

Activity Description:

V. ANNEX

Uploaded Document

Document Category	Title
M and E Document	Annexes Folder
M and E Document	10817_2025_PIR_UNIDO_South Africa