



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

## Global Eco-Industrial Parks Programme (GEIPP) in Developing and Transition Countries

### Project Document

<b>Project number</b>	SAP ID 170222
<b>Project title</b>	Global Eco-Industrial Parks Programme (GEIPP) in Developing and Transition Countries
<b>Thematic area code</b>	Energy and Environment
<b>Starting date</b>	4 <sup>th</sup> Quarter of 2018 (envisioned)
<b>Duration</b>	5 years
<b>Possible programme sites</b>	Global, indicative covering 4 countries in three regions: 1. <i>Asia region</i> : Vietnam 2. <i>Central and Eastern Europe region</i> : Ukraine 3. <i>Latin America region</i> : Colombia and Peru
<b>Government Co-ordinating agencies</b>	Ministries of Industry and Environment in the participating countries (can be enlarged – depending on a country by country basis, i.e. Ministry of Planning, Ministry of Development, Ministry of Economy, etc.)
<b>Counterparts</b>	Industrial Parks Small and Medium Size Enterprises (SME's) Business and Professional Associations
<b>Executing agency/ cooperating agency</b>	UNIDO
<b>Programme Inputs</b>	Core Programme Funding
<b>Switzerland/ Seco</b>	<b>CHF 12,500,000</b>

**Brief Description:**

The Global Eco-Industrial Parks Programme (GEIPP) objective is to **demonstrate the viability and benefits of Eco-Industrial Park approaches in scaling up resource productivity and improving economic, environmental and social performances of businesses and thereby contribute to inclusive and sustainable industrial development in the participating developing and transition economies.**

GEIPP is structured into 02 main components:

- Component 1: **Country Level Interventions**
- Component 2: **Global Knowledge Development**

GEIPP will deliver the expected results via three outcomes and the respective outputs under the 02 components as underlined in the logical framework:

***Under Component 1: Country Level Interventions***

**Outcome 1: EIP incentivised and mainstreamed in relevant policy and regulations** leading to an increased role of EIP in environmental, industry and other relevant policies at the national levels in the participating Programme countries.

**Outcome 2: EIP opportunities identified and implementation started, with environmental (e.g. resource productivity) economic and social benefits achieved by enterprises confirmed.** The implementation of EIP opportunities by enterprises and other organisations will be supported by the EIP services providers, and will lead to reduction of the environmental footprint and operational and compliance costs of businesses, and an increase in their - natural - resource productivity.

***Under Component 2: Global Knowledge Development***

**Outcome 3: EIP tools developed, services delivery capacity enhanced and lessons learnt properly capturing and effectively exchanged.** EIP tools developed and made applicable beyond the context of the individual parks or countries (via description how to apply tools locally).

**Approved:**

	Signature	Date	Name and Title
On behalf of UNIDO			
On behalf of Switzerland / Seco			

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## Abbreviations

CP	Cleaner Production
CPC	Cleaner Production Centre
EE	Energy Efficiency
EIP	Eco-Industrial Parks
EMS	Environmental Management System
EST	Environmentally Sound Technologies
GEIPP	Global Eco-Industrial Parks Programme
GHG	Greenhouse Gasses
ISO	International Standards Organisation
KMS	Knowledge Management System
MDG	Millennium Development Goals
RECP	Resource Efficient and Cleaner Production
SC	Steering Committee
SCP	Sustainable Consumption and Production
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
TOC	Theory of Change
UNIDO	United Nations Industrial Development Organisation

## A: Context

### A.1. Background

In 1994, a joint UNIDO-UNEP National Cleaner Production Centres Programme (NCPC-Programme) was launched with the objective of increasing the competitiveness and productive capacity of industry, specifically Small and Medium-sized Enterprises (SMEs), through the implementation of Cleaner Production (CP) and the application, adaptation and diffusion of Environmentally Sound Technologies (ESTs).

Through its over 20 years of operation, with substantial funding by SECO, the current **Resource Efficiency and Cleaner Production (RECP) Programme has made outstanding contributions towards the identification, development and testing of tools and methods for RECP** to the diverse conditions in developing and emerging economies. The Global RECP Programme significantly pushed these processes along by further systematising and adapting RECP-related methods and toolkits to country conditions and by developing case studies and other knowledge products that are well suited to small and medium industries in developing countries. The RECP-programme developed these tools through a process that simultaneously built RECP service capacities in developing countries. So far, the programme helped strengthen at least fifty-eight (58) National Cleaner Production Centres in fifty-five (55) countries. While capacities differ from centre to centre, there is a good track record with regards to their sustainability. Of 37 centres that were created between 1994 and 2011, only four (4) of these centres were no longer operational in 2017.

Whilst NCPC has remained as a trademark, the present operations of most NCPCs have evolved far beyond the initial model of a lean operation embedded in an established host institution. Time has taught that strong autonomous institutions are needed to amass the technical and operational know-how necessary to advise different industries, whilst also leading advocacy for RECP and leveraging policy change, technology transfer and clean(er) technology investments. Moreover, **NCPCs are duly recognised and partner with government, business membership organisations, and research, innovation and education sectors in their home country to reach all industries, regardless of size, sector and/or location, and bring customised and affordable RECP services** closer to target enterprises, further pushing boundaries wider for utilisation and implementation of RECP.

**NCPCs have accumulated substantive knowledge and experience in fostering resource efficiency and cleaner production at enterprise level, and RECPnet emerged as a promising platform and collective asset for knowledge and experience sharing.** Yet, a challenge remains, as the tons and kilotons of resources saved and emissions avoided at enterprise level, still do not match the need to avoid these in terms of mega- and Giga-tons. Adoption of RECP methods and techniques should step up both in pace and scale, to deliver a more inclusive and sustainable future. Whilst not a panacea, undoubtedly, working in more scalable models with groups of enterprises, industrial zones, value chains and/or sectors provides valuable starting points, along with greater emphasis for tailored advocacy and enabling policy for and supportive governance of RECP in the country.

**According to the Terminal Evaluation, the 2012-2017 RECP Programme** was found to be relevant to the countries' priorities and enterprises it served. The programme provided tools to support country policies to reduce pollution and improve resource efficiency, and it provided enterprises means to meet emerging regulations, increase their market share and improve competitiveness in the context of the growing number of trade agreements. The evaluation was explicitly positive about the Work Programme on EIPs - because it explicitly and properly targeted and addressed country policy and regulatory frameworks; e.g. necessary conditions identified in the theory of change that would lead to the transformation to sustainable industrial production. The new global RECP programme addresses one of the key recommendations in the Terminal Evaluation; to scale up RECP to the level of eco-industrial parks seeking to integrate support at the enterprise and park scales and address critical policy issues.

This new GEIPP will further incorporate the recommendations made to cope with the more critical remarks made in that Terminal Evaluation; (i) Loss of opportunities for synergies and learning due to deficient coordination across work streams in the project and across projects in the broader programme, (ii) insularity in project management, low institutional incentives for cross project learning and insufficient valance between technical and non-technical managerial skills and (iii) deficient results-based management and monitoring. These flaws are addressed via explicit focus of GEIPP on EIP and incorporating the recommendations on internal project management and quality control systems.

**Results and lessons learnt from previous and ongoing EIP interventions – as documented in progress reports under the RECP programme - are very promising and different funding institutions have shown great interest in EIP <sup>(1)</sup>, increasing opportunities for leveraging country level activities.** Furthermore, by targeting EIP, interventions at three levels of governance could be embedded, increasing chances for successful implementation: individual companies (micro), EIP management (meso) and local and central governments (macro).

There are currently a number of complementary tools and processes to assist governments and industrial park stakeholders to progress in the implementation of inclusive and sustainable industrial development. And, as a result of joint work by WBG, GIZ and UNIDO a **consolidated and targeted framework for EIPs** is recently developed. Therewith offering 'standards' or benchmarks for ensuring that envisioned industrial developments are sustainable and meet the spirit of an EIP. Such standards provide benchmarks for assessing existing industrial parks, planning retrofitting measures for existing parks, or better planning new industrial parks with the end goal of driving inclusive and sustainable industrialization.

## **A.2. Programme Scope**

*“An Eco-Industrial Park can be defined as a community of manufacturing and service businesses located together on a common property. Members seek*

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(<sup>1</sup>) GEF funding in Peru, Thailand and Vietnam and collaboration with WBG/IFC and GIZ.

*enhanced environmental, economic and social performance through collaboration in managing environmental and resource issues”.*

*[Ernst Lowe, 1997]*

An industrial park is an area zoned and planned for the purpose of industrial development. Industrial parks are usually located on the edges of, or outside the main residential areas of a city. Industrial parks are usually located close to transport facilities, especially where more than one transport modes are accessible, including highways, railroads, airports and ports.

The idea of setting land aside through this type of zoning is based on several concepts:

- To be able to concentrate dedicated infrastructure in a delimited area to reduce the per-business expense of that infrastructure. Such infrastructure includes roadways, railroad sidings, ports, high-power electric supplies, communications means, large-volume water supplies, and high-volume gas lines;
- To be able to attract new business by providing an integrated infrastructure in one location;
- To set aside industrial land away from urban areas to try to reduce the environmental and social impact of industrial land use on residential areas.

**Industrial Parks have played an important role in the economic growth of many developing and advanced-developing nations.** These parks provide tailored infrastructure and business services, and they have become a successful model for large-scale job creation, transfer of skills and technology, export diversification, and industrial development led by foreign direct investment.

**Until recently, sustainable business practices were widely ignored or overlooked by most of the enterprises operating in such zones.** Due to challenges related to global climate change and a decrease in the supply of resources such as fuels, materials and water, ecological and social factors are becoming crucial in industry’s plans to remain competitive. Governments and the private sector have become supportive of a more modern and sustainable investment regime for industrial zones.

One of the first times that the concept of Eco-Industrial Parks was formally discussed was at the United Nations Conference on Environment and Development (UNCED), in Rio de Janeiro in 1992. In 1990s, European countries, USA, Japan and Canada as well as some developing countries such as China and India had started adopting some Eco-Industrial concepts. In the early years, the focus of Eco-Industrial Park interventions were waste management and pollution mitigation; creation of industrial ecosystems; and sharing of utilities, by-products, and wastes between companies through application of industrial ecology principles.

It is recognised that the framework conditions and priorities vary considerably amongst industrial parks, even within a single country. **Therefore, it is important to consider and adapt the Eco-Industrial Park efforts to the economic, ecological, social, and cultural characteristics of the respective community and region.** Various terminologies are used by different organizations in different countries. However, whatever the terminology used, an Eco-Industrial Park is an entity that is a built-up space for industries with common facilities and quality infrastructure facilities that enhances business performance while addressing comprehensively the aspects of technical, infrastructural, managerial,

environmental, social, economic, and monitoring for making industrial parks sustainable. See figure 1 for common key components of each EIP.

**International good practices illustrate that the types of economic, environmental, and social benefits from Eco-Industrial Parks vary greatly and go well beyond the conventional business case benefits.** The benefits are not just commercial but also strategic, leading to reduced exposure to risk, increased competitiveness, business development, production continuity and a better reputation with key stakeholders. There is a common recognition – as laid down in the joint publication by the World Bank, UNIDO and GIZ (*An International Framework for Eco-Industrial Parks, 2017*) – on the growing importance of industrial parks, special economic zones, and export processing zones. That publication represents “a clear message from the main international players on a common approach. It will now be critical to roll out the framework with the objective of making industries and industrial parks more competitive and sustainable”; the explicit objective of this GEIPP.

Figure 1 Key components of EIP



As part of the maturing of the concept in the past two decades, a broader focus emerged by addressing a range of environmental, social and economic topics relevant to the sustainable development of Eco-Industrial Parks. In 2000s, Japan, China and South Korea expanded their Eco-Industrial Park efforts supporting them with national policies as a means to boost their competitiveness in global markets. In the past decade, Eco-Industrial Parks became a prominent global concept for developing new industrial parks and retrofitting existing parks in over 40 countries. UNIDO further developed and implemented EIP-projects under the past SECO-funded RECP programme, in particular in China and India, and separately with GEF funding in Peru, Thailand and Vietnam.

**UNIDO recently documented a total of 33 examples of industrial park developments covering 12 countries (Cambodia, China, Colombia, Costa Rica, Egypt, India, Morocco, Peru, South Africa, Tunisia and Vietnam).** Praiseworthy environment and resource conservation benefits were achieved in all, confirming the viability of the eco-

industrial park concept in developing and emerging economies to scale up and mainstream RECP. Combining good practice elements from different cases resulted in an integrated intervention agenda for eco-industrial parks, covering six different pillars ranging from approaching companies on an individual level to industrial symbiosis concepts and the inclusion of infrastructure management and zoning applications within parks. The balance of interventions should be matched to the industrial zone, including its mix of industries, ownership and stage of development.

### A.3. Problem Analysis

Even though there are significant benefits and increasing drivers, the concept and practice of Eco-Industrial Parks is still subject to a number of barriers. A summary of key economic, technical, organizational, and regulatory/policy barriers is provided in table 1.

*Table 1 Key barriers for EIP implementation*

Economic barriers	Technical barriers	Operational and knowledge barriers	Regulatory and policy barriers
<ul style="list-style-type: none"> <li>• Loss of competitiveness</li> <li>• High price of fuels and natural gas may lead to switch to coal</li> <li>• Low demand for green technologies and lack of incentives that encourage clean technology development and adoption</li> <li>• More pressing priorities than environment and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Hazardous waste management, (central) effluent treatment plants and other facilities may not work properly, leading to high environmental pollution</li> <li>• Multiple sources of water supply hamper control of water consumption</li> <li>• Many parks are not fully operational</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of experience</li> <li>• Lack of awareness of government, community</li> <li>• Lack of proper organization among companies</li> <li>• Lack of management resources</li> <li>• Lack of reference and guidelines of what exactly an Eco-Industrial Park is</li> <li>• Lack of proper indicators</li> <li>• Problem to attract skilled workers (many industrial parks train workers nearby)</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of regulation and its enforcement</li> <li>• Excessive dependence on policies (unreliable when policy changes)</li> <li>• Lack of support for industrial symbiosis and other environmental measures</li> <li>• High proportion of small and medium sized enterprises (SMEs), SMEs comply less to environmental standards, which leads to more pollution</li> </ul>

When applying Eco-Industrial Parks, there is a risk to exaggerate demand in terms of ecological and social advantages and to come up with unrealistic "wish lists", which will likely result in costly and uneconomical development plans. It is clear from the many international cases – similar to experience when implementing RECP - that the success of an Eco-Industrial Park is dependent on its ability to compete in the market place and offer cost-effective solutions to the park management and the companies.

These four barriers (economic, technical, organizational, and regulatory/policy) can be related to a number of root causes, namely:

- There is limited awareness of opportunities for and benefits of RECP at company level and EIP at park level and advocacy is therefore limited;
- Policy and regulatory frameworks favourable for EIP development do not exist or are not effectively enforced;
- Financial mechanisms available to (groups of) enterprises and other organisations insufficiently cater to the specific eligibility criteria of investments; and
- Existing Service Providers are insufficiently able to effectively support enterprises for the whole process of identification, evaluation and implementation of EIP opportunities; not able to cover the technical aspects of RECP measures beyond the scope of an individual enterprise and especially dealing with crucial organisational (and regulatory) aspects of an industrial park.

GEIPP will respond to these needs and challenges through:

- *Multi-level interventions:* GEIPP interventions will address four levels: namely: Global level (development of tools and incentive mechanisms supportive for country specific interventions), Macro level (government and policy and legal frameworks), Meso level (providers of services, technologies and finance, including support institutions, EIP Services Providers) and Micro level (businesses at park level and enterprise level).
- *Integrated approach:* The implementation of GEIPP will be addressing all conditions for transformation in an integrated and mutually supportive way necessary to reach long-term objectives and targeted transformation.
- *Synergy and partnership:* The implementation of GEIPP will be based on promoting synergy and active coordination and partnerships with existing similar bilateral and multilateral initiatives on EIP and with parallel initiatives on Trade, Investment Promotion and Quality and Standards.
- *Enhanced existing capacities:* GEIPP will ensure the active utilization of existing capacities of EIP Services Providers in the network as a mechanism of further enhancing their capacity and promoting South-South cooperation amongst the participating countries.
- *Multi-dimensional networking:* GEIPP will be used as an effective platform that facilitates the transfer of knowledge and sharing of experiences through interactive and multi-level networking.
- *Demand / need driven:* GEIPP will implement different types of EIP interventions, via customising the country level projects of the programme to the needs and conditions of the beneficiary country. The pre-selected countries are rather diverse in stage of need for EIP interventions and existing conducive framework conditions (e.g. policy and regulatory conditions, financial resources and local awareness for and knowledge on EIP) and therefore no blueprint implementation model can be applied but a modular approach will be chosen.

Eco-Industrial Parks actions can address either brownfield parks (retrofitting existing parks) and/or greenfield parks (development of new parks). The latter part opens more potential for radical improvements but often require a much longer time frame, involvement of a large group of stakeholders and large(r) investments. GEIPP will, due to the time horizon of the programme (5 years) and available budget, focus on retrofitting existing parks only, but the tools developed will also be suitable for greenfield park interventions.

All EIP-interventions in GEIPP will go beyond compliance of national and local regulations,

but the targeted level of performance depends on the feasibility of what may be achieved realistically during the project period.

#### **A.4. Programme benefits**

Key benefits for Eco-Industrial Parks include: reducing an industrial park's environmental footprint; promoting efficiency gains; enabling community cohesion; providing better access to finance and technical support; and enhancing business competitiveness. Good international industry practice demonstrates a wide range of economic, environmental, and social benefits from EIPs. Indeed, these can go well beyond the conventional business case benefits. In this context, EIP benefits are not just commercial. They are also strategic in nature because they lead to reduced exposure to resource and licensing risks. They also increase competitiveness, promote business development, and build a better reputation with key stakeholders.

Over the past few years, the international community has made a quantum leap in advancing new approaches to accelerate progress and pave the way for a more ambitious, inclusive and universal development framework beyond 2015. While industrialization was not factored into the Millennium Development Goals (MDGs) framework, inclusive and sustainable industrialization now features strongly in the post-2015 development discourse, and explicitly mentioned in the now leading Sustainable Development Goals (SDGs).

The 2030 Agenda for Sustainable Development adopted:

- SDG 9 “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”; aiming to significantly raise industry's share in employment and gross domestic product, by 2030, and double its share in least developed countries, and, also by 2030, retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- SDG 12 “Ensure sustainable consumption and production patterns”; reaffirms commitment to implement the 10 Year Framework of Programmes on Sustainable Consumption and Production, and targets, amongst others, to half, by 2030, per capita global food waste, and, by 2020, to achieve the environmentally sound management of chemicals and all wastes, throughout their lifecycle, for which companies are encouraged to adopt sustainable practices and report on the outcomes thereof.

These confirm the provisions of UNIDO's Lima Declaration and the relevance of its core Inclusive and Sustainable Industrial Development (ISID) strategy for the new global development architecture. ISID is credited with promoting value addition, realizing productivity gains and returns to scale, creating jobs and income, enhancing international competitiveness and trade, building efficient and effective productive capacity, supporting economic diversification, and building green industries.

Such structural transformation is expected to unleash an enormous development potential as it features close linkages to infrastructure development, innovation and the efficient and sustainable use of resources, as well as to a wider range of other sustainable development priorities.

GEIPP activities and outputs are also relevant to and achieve more modest contributions to several other SDGs:

- SDG 7 “Ensure access to affordable, reliable, sustainable and modern energy for all”; confirms importance of energy as driver of development and aims amongst others at doubling the rate of energy efficiency improvement and significantly increasing share of renewable energy, both by 2030.
- SDG 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”; targets sustained per capita economic growth per cent per annum in the least developed countries, whilst progressively improving global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.
- SDG 11 “Make cities inclusive, safe, resilient and sustainable”; Cities are hubs for ideas, commerce, culture, science, productivity, social development and much more. However, many challenges exist to maintaining cities in a way that continues to create jobs and prosperity while not straining land and resources. Common urban challenges include congestion, lack of funds to provide basic services, a shortage of adequate housing and declining infrastructure. The challenges cities face can be overcome in ways that allow them to continue to thrive and grow, while improving resource use and reducing pollution and poverty.
- SDG 13 “Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy”; targets resilience and adaptive capacity to climate related hazards and natural disasters; integration of climate change measures into national policies and strategies; improvement of education, awareness raising and human and institutional capacity; promotion of mechanisms for raising capacity for effective climate change-related planning and management.

## **A.5. Programme Beneficiaries**

Experiences from previous programmes have shown that isolated approaches, concentrating either on industries, support organisations or government officials/decision makers can only have limited impacts, if attributable at all. Programme interventions will therefore address four levels, namely:

*Global-level:* GEIPP addresses nature and society at large; fostering economic and social growth whilst safeguarding the environment. It rejects the trade-off between economic growth and the environment. Thus, eco-industrial development integrates business objectives and environmental and social measures to create economic opportunities and improved eco-systems as well as innovative avenues for business.

*Macro-level:* government and other agencies involved in the development and implementation of policy and regulatory frameworks. GEIPP includes macro-level interventions aimed at mainstreaming EIP concepts, policy instruments and practices in relevant national policies and legislation, in the industry, trade, technology and environmental domains, and support for their effective implementation and enforcement through relevant organizations;

*Meso-level:* providers of technological, managerial and other business services, technology and equipment to enterprises and other organisations. This includes support institutions, in particular EIP Services Providers, universities, industry sector and

professional associations, etc. GEIPP includes meso-level interventions to create a capacity among these suppliers of services, information and technology to assist businesses and other organisations with all aspects of the identification, evaluation, acquisition and implementation of EIP techniques, technologies and product designs. This includes the provision of specific EIP services, such as training, information dissemination and assessment services specifically on park level. It also includes the building up and strengthening of more generic (not EIP-specific) services, including for innovation, technology management and product development at company level, as well as the mainstreaming of EIP concepts and practices therein.

Micro-level: park management entities and individual businesses that can implement EIP and thereby achieve resource efficiency, environmental, economic and potential other benefits. This micro-level constitutes the primary target group and beneficiary of GEIPP. Programme interventions to the micro-level are delivered through the meso-level network, and by facilitating the set-up of an enabling policy and regulatory environment with the macro-level interventions.

## **B: Reasons for UNIDO Assistance**

### **B.1. Relevance**

The principal rationale for the continuation and expansion of the former UNIDO-UNEP Programme on Resource Efficient and Cleaner Production with a more focussed attention to one of the key work packages of that previous global programme - Work stream on Eco-Industrial Parks - is the increasing relevance and commendable performance of the Programme, as confirmed by the 2015 Mid-term Programmatic Evaluation and the 2017 Final Programmatic Evaluation.

EIP was reviewed as having a high potential to be further developed. It was considered to be one of the Work Streams that could be focussed on in the next phase to upscale successes achieved. A further reason is that potential financial institutions have shown great interest in EIP, increasing opportunities for leveraging country level activities. Furthermore, by targeting EIP, three levels of governance could be embedded in interventions at the country level, increasing chances for successful activity implementation: individual companies and EIP management (micro), service providers and intermediary agencies (meso) and governments (macro). In addition, EIP includes also several aspects/topics of RECP, in which UNIDO already has built a strong portfolio and supporting tools (RECP assessments, Waste management, Industrial symbiosis, Recycling and circular economy, RECP financing, Policies, etc.).

The rising relevance of EIP warrants further interventions of UNIDO to enable developing and transition economies to benefit from the widespread implementation of EIP concepts, methods, techniques and policies. The programme strategy to develop and strengthen national capacity for EIP services is relevant to the industrial development of developing countries. The Terminal Evaluation of the global RECP programme explicitly stipulated that a key weakness of that programme has been the lack of sufficient integration of its activities in a mutually supportive way that contribute to a broader transformation. Only the EIP work stream in that programme was assessed as applying this key integrated approach to address all conditions for transformation. An enhancement of the previous programme, via a more focused approach – on EIP - is applied to address managerial and operational weaknesses to improve effectiveness, efficiency and sustainability of the Programme and to ultimately increase its impact.

### **B.2. Demand**

As part of UNIDO's global past and present work in the area of EIPs, existing regional differences and global trends were examined from 2013 onwards. In 2016, the global assessment was finalized and published featuring 33 examples of industrial parks in 12 developing and emerging economies <sup>(2)</sup>. This study highlights a strong and ongoing demand for assistance and thereby provides a firm justification to launch further dedicated EIP activities – via a customised new programme.

To build on current trends, UNIDO initiated stakeholder discussions on eco-industrial parks,

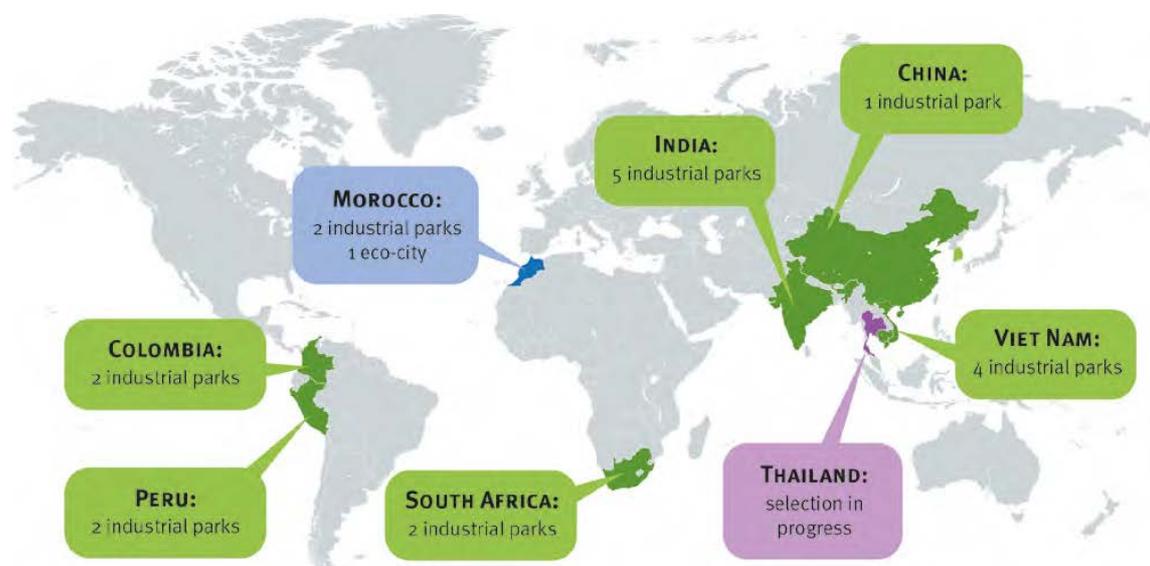
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<sup>(2)</sup> UNIDO (2016), Global Assessment of Eco-Industrial Parks in developing and emerging countries

involving representatives from GIZ and the World Bank Group (WBG), in 2016 based on different approaches and experiences of the three organizations. This cooperation between UNIDO, WBG and GIZ resulted in the release of a jointly agreed international framework on eco-industrial parks <sup>(3)</sup>; a common framework agreed by all parties, minimum requirements that define an EIPs were identified, where an EIP is expected to demonstrate environmental and social performance that exceeds compliance with national regulations, in addition to being economically viable.

The new programme will build upon those past (and on-going) projects and will seek opportunities for alignment – and thereby leverage finance – as has been done in the past in Vietnam (UNIDO-GEF project *Implementation of eco-industrial park initiative for sustainable industrial zones in Vietnam*) and the recently approved GEF EIP project in Peru.

Figure 2: Overview of UNIDO’s ongoing EIP activities



### B.3. UNIDO Mandate

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations that is “tasked to assist its Member States towards achieving enhanced levels of inclusive and sustainable industrial development, with the aim of, inter alia, expanding and diversifying manufacturing value added, enhancing domestic entrepreneurial and technological capabilities for sustainable development and competitiveness, improving in equality and access to decent jobs in industry, and reducing the environmental impact, based on the Rio Principles”<sup>4</sup>. In short, the mandate of UNIDO is to promote and accelerate inclusive and sustainable industrial development in developing countries and economies in transition.

The Programme Development and Technical Cooperation (PTC) of UNIDO is primarily responsible for providing capacity-development support and technical cooperation services to enhance the capabilities of developing countries and transition economies to process

<sup>(3)</sup> UNIDO, WBG, GIZ (2017), An international framework for Eco-Industrial Parks

<sup>(4)</sup> Lima Declaration, 2013.

their agriculture-based raw materials, participate in international trade flows for manufactured goods, increase investment and technology flows, and develop entrepreneurship, while also promoting environmentally sustainable production techniques, developing renewable and rural energy for productive use, increasing energy efficiency, and supporting the implementation of major multilateral environmental agreements.

PTC comprises of five departments: the Department of Programmes, Partnerships and Field integration (PTC/PPF), the Department of Agri-Business Development (PTC/AGR), the Department of Trade, Investment and Innovation (PTC/TII), the Department of Energy (PTC/ENE) and the Department of Environment (PTC/ENV).

The Department of Environment (ENV) is responsible for contributing to inclusive and sustainable industrial development by improving the environmental performance, resource productivity and safety of existing industries, as well as by supporting the creation of new industries providing environmental goods and services. It does so by: promoting industrial resource efficiency to strengthen green industry and improve the effective use of natural resources including in particular materials and water; assisting developing countries and countries with economies in transition to achieve the objectives of and compliance with Multilateral Environmental Agreements; and by working to reduce the release of industrial pollutants in the environment.

The Industrial Resource Efficiency Division (IRE) is one of four divisions within the Department of Environment (ENV). The focus of IRE Division is to increase the capacity of industry, government and business environmental services providers as well as intergovernmental and non-governmental entities to scale up and mainstream the adoption of more resource-efficient and cleaner patterns of production. It does this through promotion of recycling, resource recovery and/or environmentally sound treatment and disposal of wastes, waste waters and toxic and/or hazardous chemicals, and also in particular for the sustainable use and management of water and other natural resources used in industrial processes.

UNIDO has more than doubled its delivery of technical cooperation activities over the past ten years. Together with the substantial increase of voluntary contributions to the financial resources of the Organization, this trend testifies the growing international recognition of UNIDO as an effective provider of inclusive and sustainable industrial development services. UNIDO has an extensive and proven track record in working with governments, industry and other major stakeholders in promoting circular economy, green industry and resource efficiency with many projects implemented around the world.

The purpose of UNIDO's technical cooperation function is to build the capacity of Member States to initiate and carry out their own programmes in the field of industrial development. Thus, tailored assistance is provided to developing countries under the following principles, that emphasize hand-in-hand and hands-on cooperation with stakeholders on collective actions based on shared objectives:

- *Coordination with other initiatives, where possible, to take benefit of synergies:* identification of other projects and initiatives working directly (or indirectly) in the area is critical to avoid overlaps and exploit synergies. UNIDO promotes these synergies where possible, depending on the willingness of donors and beneficiary

institutions. This principle will be fully applied to the GEIPP, in relation to coordination with other country or thematic projects being implemented by SECO (or planned to), or by UNIDO. The organization will also promote synergies with programs being implemented by other donors within the same field, and it will do it through the local institutions beneficiaries of the technical cooperation.

- *Know-how transfer to local staff:* for project execution UNIDO does not work in isolation, but always uses a blend of national and very renowned international experts in the various fields of knowledge required for each specific project. Through the blending with local experts, this know-how will be transferred right from the start, and local institutions and local professionals also get a chance to be closely involved in all steps and learn from the process. This way of doing enhances awareness, commitment and involvement from the local stakeholders, and lays the foundation for sustainability.
- *International experience exchange:* through UNIDO's international network of companies, experts and institutions, the organization strives to promote experience exchanges relevant to the beneficiary country. This is done by recruiting experts who could also foster broader collaboration with their respective institutions, or through good practice visits by professionals from different organizations.
- *Holistic approach to upgrading, including sustainability aspects:* when working directly with firms or industrial parks in the area of green industry and circular economy, UNIDO applies a holistic approach which does not only focus on compliance with relevant national regulations, but also includes sustainability considerations, including sustainable energy solutions, sustainability standards, quality standards, occupational health and safety, amongst others.

## C: The Programme

### C.1. Development Objective

The development objective of GEIPP is **to demonstrate the viability and benefits of Eco-Industrial Park approaches in scaling up resource productivity and improving economic, environmental and social performances of businesses and thereby contribute to inclusive and sustainable industrial development in the participating developing and transition economies.**

### C.2. UNIDO Approach

The intervention logic – presented via a Theory of Change - to mirror the cause analysis and addressing the identified key drivers for promoting, initiating and strengthening EIPs (presented in figure 3) is described in figure 4, thereby incorporating one of the recommendations of the Terminal Evaluation, to develop such Theory of Change defining an integrated approach that simultaneously address the conditions necessary to reach the desired transformation.

Figure 3: Key drivers for EIP

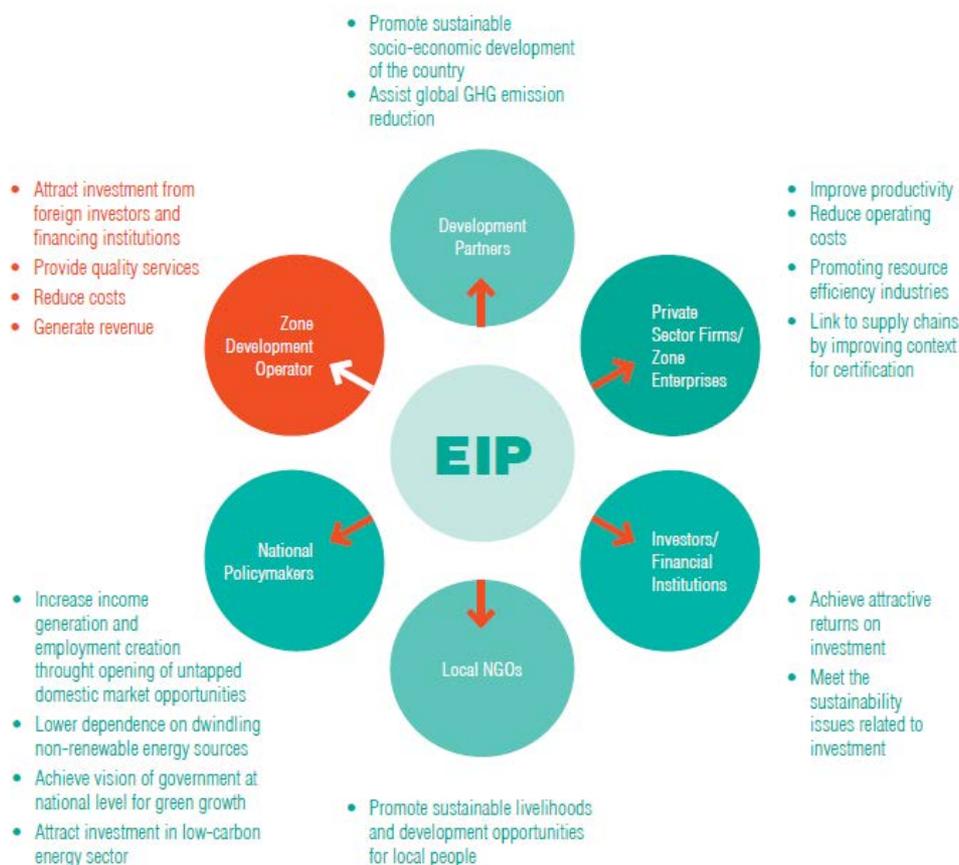
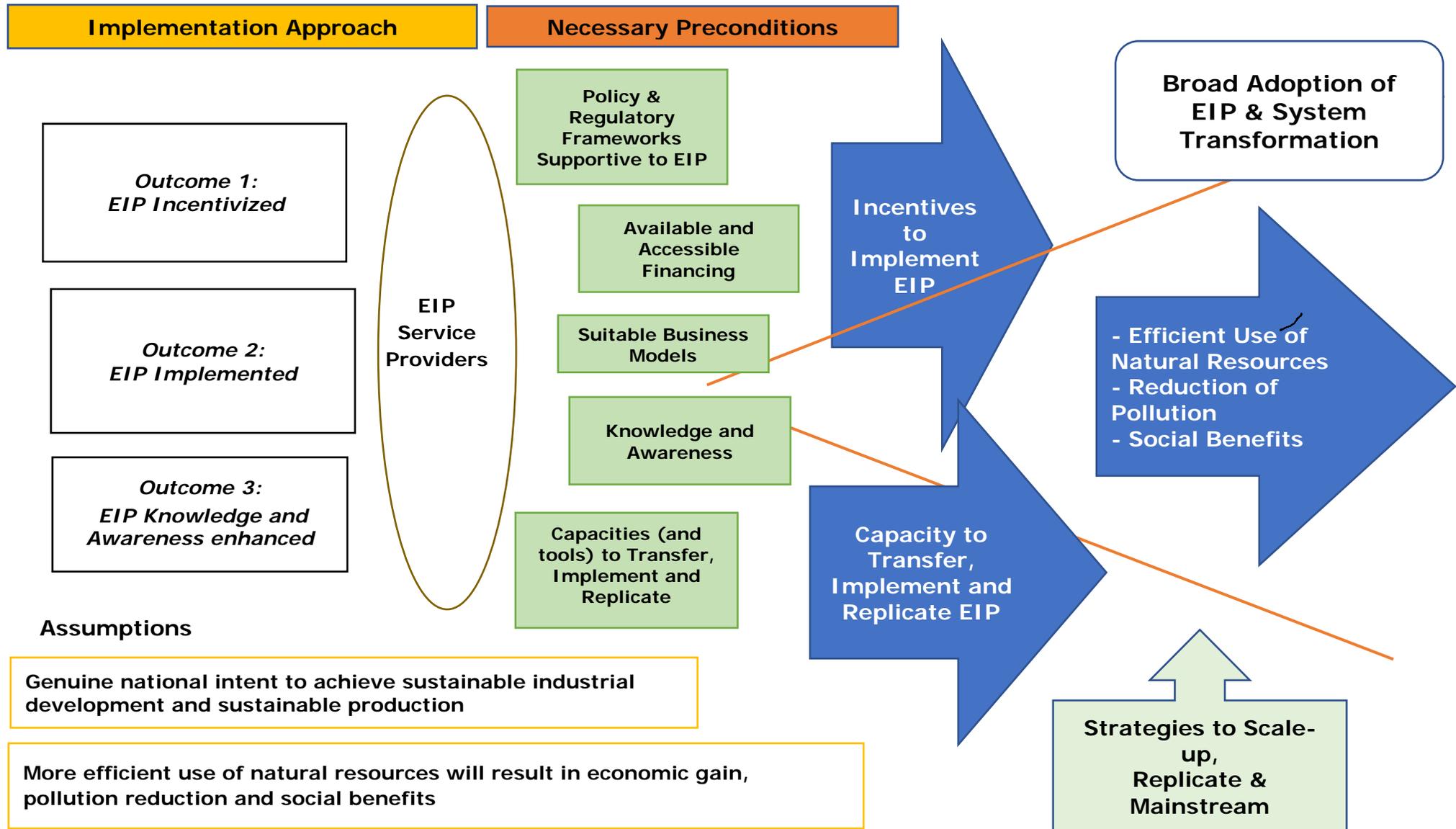


Figure 4: Theory of Change for the EIP Programme



GEIPP distinguishes between three different mechanisms of broader adoption:

- **Mainstreaming**, whereby information, lessons, or specific aspects of an initiative are incorporated into a broader stakeholder initiative. This may occur not only through governments but also in development organizations and other sectors.
- **Replication**, whereby an intervention is reproduced at a comparable administrative or ecological scale, often in different geographical areas or regions.
- **Scaling-up**, where supported initiatives are implemented at a larger geographical scale, often expanded to include new aspects or concerns that may be political, administrative, economic, or ecological in nature. This allows concerns that cannot be resolved at lower scales to be addressed, and promotes the spread of contributions to the broader system.

GEIPP aims at improving resource productivity of natural resources (including energy, water and materials) and reducing pollution and waste intensities of businesses and other organisations. The primary, or direct, benefits thereof will be increasing productivity benefits and decreasing of environmental degradation. These in turn will contribute to secondary, or indirect, benefits, in particular: improvement of industry competitiveness; improvement of market access; and attending to consumer needs for environmentally sound goods and services.

### **C.3. Programme components**

#### ***C.3.1. Component 1: Country level interventions***

The country level interventions in component 1 will address **country-specific EIP** by implementing tailor-made initiatives in the listed 4 countries for potential project activities; Colombia, Peru, Ukraine and Vietnam. However, this will not mean that all activities will be staged in each country in the same manner or at the same time.

To contribute to Outcome 1 (*Enabling conditions for EIP enhanced*) the country level intervention is channelled through advice for informed policy decision making on EIP compliance and support to EIP policy development. The advice will include the promotion of good regulatory practices and activities to raise awareness for EIP at a national, organizational and societal level.

Contribution to Outcome 2 (EIP concepts implemented at SME and park management level) is achieved through technical assistance and training to SMEs and park management with involvement of relevant Business Support Organisations. GEIPP will put the emphasis on the implementation of EIP concepts to comply with relevant standards. As a result, the capacity of SMEs and other actors is strengthened. By strengthening institutions and services providers, GEIPP will contribute to build capacities to meet the needs of different stakeholders of industrial parks.

- Component 1 will be implemented in the listed 4 countries for potential project activities; Colombia, Peru, Ukraine and Vietnam. However, this will not mean that all activities will be staged in each country in the same manner. The country interventions will be customized.

The following stakeholders will develop and implement EIP activities, specifically:

- *Enterprises and park management*: will implement EIP opportunities, including, as the case might be, Environmentally Sound Technologies and sustainable product and production developments, in their operations and thereby achieve reductions in the intensities of their waste and pollution generation and of their use of natural resources.
- *Government and its agencies at national and sub-national levels*: will mainstream EIP concepts and policy instruments in the development, implementation and enforcement of relevant policies and legislation, including the environment, industry, technology and other applicable policy domains. This will activate and/or strengthen the incentives for businesses and other organisations to consider and implement EIP in their operations.
- *Providers of technical, managerial and other business advisory services*: will deliver EIP-relevant services to businesses and other organisations to enable them to implement EIP opportunities. This will include both provision of EIP specific services, through NCPCs or other EIP Services Providers, as well as strengthening and mainstreaming of EIP concepts in other business advisory services, e.g. with the providers of management consulting, engineering design and/or product development services.
- *Other stakeholders* (for example education and training institutions, professional and industry sector associations etc.): will mainstream EIP concepts, methods and information in their activities, for example as part of their training, education and outreach functions.

**Macro Assessments** will be conducted by UNIDO for each country during the first year of GEIPP, and on an annual basis, UNIDO will reassess the progress of GEIPP and, depending on budget utilisation (and/or increased available budget due to leverage activities), new activities will be launched. These assessments will be extensively discussed with SECO's coordination offices, and build the basis for sequencing, which is depicted in table 2 below.

Macro Assessments will assess the baseline situation in the country; e.g. past experiences and results from EIP interventions, policy and regulatory framework conditions for EIP, number (and classification) of industrial parks (existing and planned), availability, quality and adoption capacity of service providers in the country, availability and accessibility of national financing source for the implementation of envisioned EIP-measures.

Table 2: Selection criteria for the country component

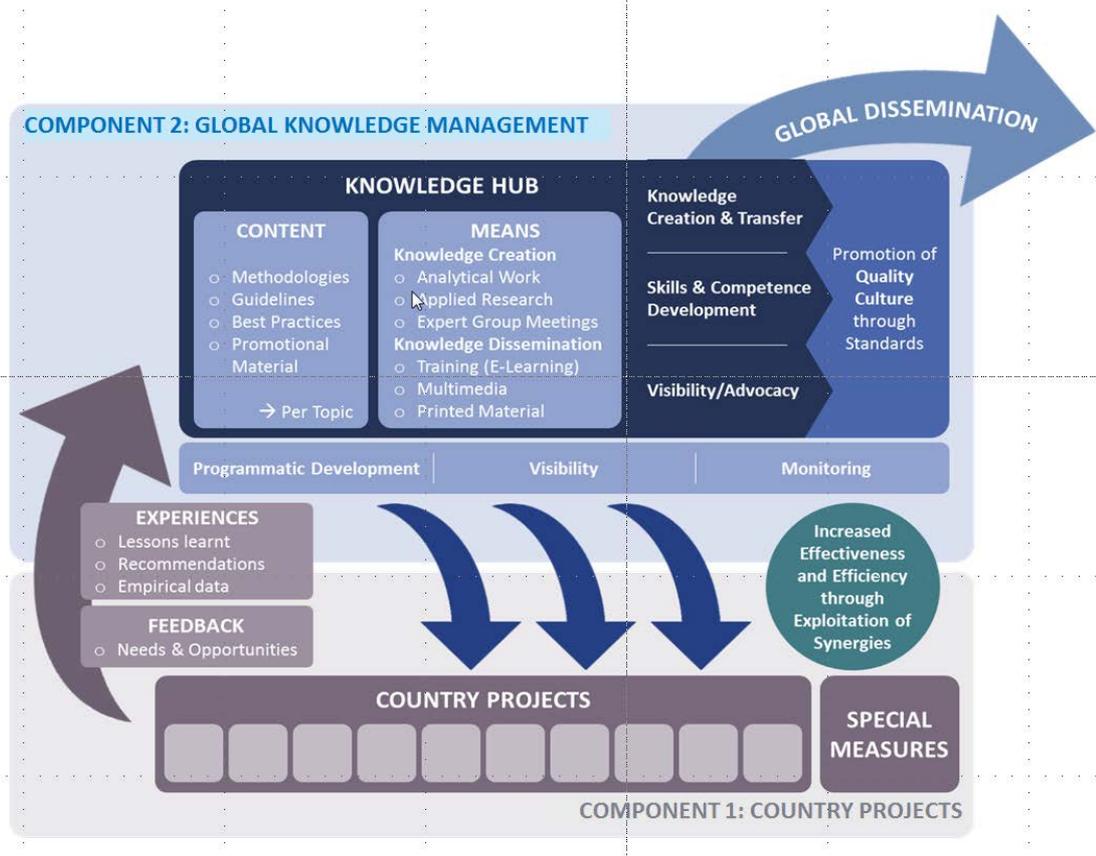
Selection criteria	Description	Consideration
<b>Government commitment</b>	Demonstrated government commitment to support EIP.	<i>Key conditions</i>
<b>Institutional set-up</b>	Absorption capacity and scalability of the interventions to affect EIP-development and implementation.	
<b>Private sector organization</b>	Maturity and organisation of private sector organisations in the chosen EIP.	
<b>Potential impact</b>	Potential for significant impact	
<b>UNIDO experience</b>	UNIDO capacity and experience in the country	

<b>SECO Alignment</b>	SECO priority country, portfolio coherence and strategic priorities at country level	
<b>Existing programs</b>	Countries where programs are already implemented by UNIDO, either already EIP-related or providing sufficient basis for EIP-interventions.	<i>Additional considerations</i>
<b>Synergies</b>	Potential synergies with other SECO (or other donor) programs	
<b>Strategic</b>	Potential replication / demonstration effect for the region	

### ***C.3.2. Component 2: Global Knowledge Development***

**Component 2 serves as a transversal component in the GEIPP** (see Figure 5). The objective of this component is to generate and disseminate knowledge from present and past endeavours, which can be used to tackle the required preconditions for EIP. It aims to generate and disseminate/transfer knowledge to the various country projects and special country measures within the country level interventions (component 1), to the stakeholders and UNIDO, and to the interested public in general through global dissemination. Therefore, it is a strategic and key component for implementing a more programmatic approach. This component will be a catalyst to achieve greater effectiveness, while optimizing efficiency in the use of resources, as well as, a mechanism of coordination and exploitation of synergies. However, the benefits of component 2 will also exceed the GEIPP framework and will serve as a useful tool for future RECP related programmes and projects from UNIDO and beyond, by contributing to the generation of global public goods and strengthening the cooperation with other organizations working in RECP.

Figure 5: Framework of Component 1 of the GEIPP and interrelation with Component 2



Knowledge will be created under UNIDO's responsibility, according to needs identified in a dynamic and iterative basis in the exchange with SECO (both HQ and cooperation offices). The resulting products will be integrated into to an online platform already created by UNIDO during the previous RECP programme, to secure effective sharing during and post-project. The following outputs will be considered for knowledge creation:

- *Standards and guidelines*: The development of EIP tools will be done partially at the start of GEIPP and thereby continuing the already ongoing work in this matter with WBG and GIZ - building upon already existing EIP tools and/or amalgamating thematic tools into EIP-tool packages – and thereby serve as input for the activities per country.
- *Experiences*: Tacit knowledge stemming from experiences is a powerful source of knowledge, but is often not processed by organisations as they lack a systematic approach for their identification, channelling and analysis. A program with several projects such as the GEIPP will undoubtedly generate valuable experiences to be shared, or to generate, from them, new knowledge in form of good practices, guidelines or recommendations.
- *Evaluation reports*: The recommendations and lessons learnt arising from these reports will be captured, assessed for their potential of knowledge creation and processed to a useable format for current and future projects.

- *Feedback from country projects:* The feedback from country projects can take the form of needs or opportunities. The needs identified could be addressed through the knowledge accumulated in component 2, which could then support the implementation of the projects and/or contribute to maximising the results and impact achieved. Opportunities could come in the form of, for example good practices identified in implementation or other organisations or institutions, which could then be shaped or adapted, as deemed useful for the projects within the GEIPP.

Knowledge sharing events: Over the proposed five-year programme duration global (or sub-regional) meetings are planned, at least 3 meetings during the programme period (intermediary events during 2nd and 4th year and closing event at the end of the programme). The networking meetings will bring together the members of GEIPP Steering Committees, representatives from the respective country Steering Committees, involved EIP Service providers (both for the global activities as well as the country specific activities) and representatives (managers and experts) of parallel ongoing global EIP-activities (such as WB and GIZ initiatives). The meetings are envisioned to be organised in conjunction with either meetings of the RECPnet (global or regional meetings) or relevant other EIP-meetings thereby efficiently utilise budgets and effectively disseminate information from GEIPP to others and solicit from inputs. The meetings serve to update members on key activities, initiatives and achievements of GEIPP, and provide a platform for in- depth discussion on selected topics of common interest for advancing knowledge and implementation of EIP concepts, methods, techniques and policies. It is anticipated that the network meetings will be combined with some thematic training sessions, to take advantage of the fact that members have already travelled to one central location for the global networking meetings.

#### **C.4. Programme outcomes and outputs**

GEIPP will pursue three outcomes, thus responding to the main compliance challenges identified for developing countries:

##### ***Under Component 1: Country level interventions***

**Outcome 1: EIP incentivised and mainstreamed in relevant policy and regulations** leading to an increased role of EIP in environmental, industry and other relevant policies at the national levels in the participating Programme countries.

At the **output level** GEIPP will:

- i) **Output 1.1. Mapping of existing capacity of institutions and service providers on eco-industrial parks development:** Analyse in-depth the existing capacity of institutions and service providers and map the gaps, to secure proper customisation of all envisioned interventions to local interest and commitment, needs, and windows of adaptation;
- ii) **Output 1.2. Strengthened national Institutions relevant to EIP policy development and implementation:** according to the needs identified in the in-depth analysis. These will include training to enhance technical skills, technical assistance and coaching / mentoring to improve existing policies and strategies,

and the implementation of these policies;

**Outcome 2: EIP opportunities identified and implementation started, with environmental (e.g. resource productivity) economic and social benefits achieved by enterprises confirmed.** The implementation of EIP opportunities by enterprises and other organisations will be supported by the EIP services providers, and will lead to reduction of the environmental footprint and operational and compliance costs of businesses, and an increase in their - natural - resource productivity.

GEIPP will focus on the brownfield operations only, in order to secure realistic and tangible results within GEIPP boundary (timing, financial and organisational) conditions.

At the **output level** GEIPP will:

- i) **Output 2.1. Benchmarking and in-depth analysis of potential candidate industrial parks for EIP intervention:** Conduct in-depth analysis and screening of candidate industrial parks for interventions.
- ii) **Output 2.2. Enhanced capacity of industrial parks and tenant SME's to meet international standards and requirements for EIP:** Provide training to private sector (SMEs, park management) to enhance capacity to meet international requirements set for EIP, according to the needs identified during the pre-assessment. The training to enhance technical skills of the park management and individual SMEs is meant to create awareness and understanding of EIP and thereby create local ownership to secure sustainability of the results.
- iii) **Output 2.3. EIP requirements implemented by park management and tenant SME's:** Provide technical assistance to private sector (SMEs and park management) to implement EIP-measures. Via a step-by-step approach all windows of improvements for all different components of EIP will be assessed and gradually implemented.

### ***Under Component 2: Global Knowledge Development***

**Outcome 3: EIP tools developed, services delivery capacity enhanced and lessons learnt properly capturing and effectively exchanged.** EIP tools developed and made applicable beyond the context of the individual parks or countries (via description how to apply tools locally).

At the **output level** GEIPP will:

- i) **Output 3.1. Specific EIP tools developed:** Develop specific EIP tools, building upon already existing EIP tools and/or amalgamating thematic tools into EIP-tool packages. It refers to guidelines, handbooks and training materials for specific target groups. This component will strongly build upon activities undertaken already during the previous global RECP-programme and the presently ongoing

joint activities with World bank and GIZ.

- ii) **Output 3.2. EIP services delivery strengthened:** via tailored institutional strengthening interventions at country level (as part of country specific activities), effective networking and peer learning amongst a network of competent nationally-directed initiatives that deliver quality and value-adding EIP services which respond to the needs of enterprises and other organisations;
- iii) **Output 3.3. Lessons learnt from EIP interventions captured and effectively exchanged:** Capture lessons learnt from EIP activities properly and effectively exchange amongst involved parties in GEIPP and external stakeholders involved in similar programmes; and
- iv) **Output 3.4. Awareness raising activities on EIP developed:** Raise EIP awareness, including the dissemination of promotional material and the promotion of EIP awards.

The Logical Framework of the Global EIP Programme is summarized in the following table:

Table 3: The logical framework of the Global EIP Programme

Components	Description
Component 1: Country level interventions	<b>Outcome 1: EIP incentivized and mainstreamed in relevant national policies</b>
	<b>Output 1.1:</b> Mapping of existing capacity of institutions and service providers on EIP
	<b>Output 1.2:</b> Capacity building measures carried out for strengthening national Institutions relevant to EIP policy development and implementation
	<b>Outcome 2: EIP opportunities identified and implemented</b>
	<b>Output 2.1:</b> Benchmarking and in-depth analysis of potential candidate industrial parks for EIP interventions
	<b>Output 2.2:</b> Enhanced capacity of industrial parks and tenant SME's to meet international EIP standards
Component 2: Global knowledge development	<b>Output 2.3:</b> EIP requirements implemented by park management and tenant SME's to improve their environmental, social and economic performance
	<b>Outcome 3: Knowledge building , capturing and sharing on EIP enhanced</b>
	<b>Output 3.1:</b> Specific EIP tools developed
	<b>Output 3.2:</b> EIP services delivery capacity strengthened
	<b>Output 3.3:</b> Lessons learnt from EIP activities properly captured and effectively exchanged
<b>Output 3.4:</b> Activities to raise EIP awareness developed	

## C.5. Programme Governance and Management

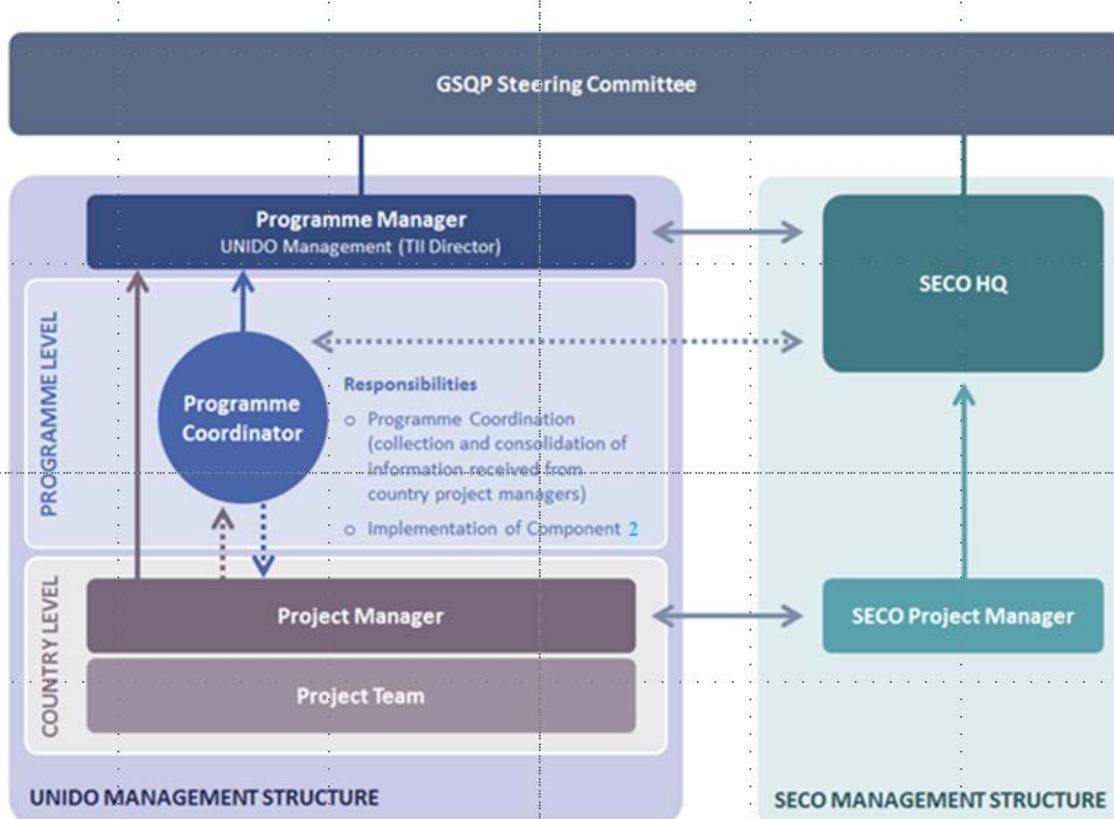
### C.5.1. Programme Governance

The implementation of GEIPP will take place in accordance with the following governance and coordination arrangements.

A **GEIPP Steering Committee** (GEIPP-SC) comprising UNIDO and SECO will be established and meet at least twice a year, once in Bern or Vienna and once virtually. The GEIPP-SC's main role will be to provide strategic guidance and monitoring of progress towards established objectives and outcomes set out in GEIPP. To this end the GEIPP-SC may invite reference persons, observers and/or project managers as deemed appropriate. It will be responsible for:

- All strategic decisions, which may include the approval of annual work plans, progress reports as the basis for the project implementation, monitoring and evaluation;
- Significant changes to programme objectives and budget re-allocation (between component 1 and 2, and budget allocation per country under component 1);
- Setting and assessing GEIPP milestones;
- Significant amendments to timeline (implementation of activities);
- Approval of annual progress reports and work plans, including financial reports.

Figure 6: GEIPP Programme Organisation / Governance



A 6-month **inception phase**, starting from the signature of the agreement between UNIDO and SECO is foreseen. During this time, UNIDO will validate the logical framework and review the baseline of the KPIs; establish a monitoring system according to result-based management; validate the approaches and concepts proposed in GEIPP document taking into consideration latest developments; validate the budget and propose adjustments if necessary; elaborate detailed work plans; establish the Steering Committee (SC) and modus operandi (ToRs); recruit the GEIPP staff; sensitise and build awareness of key stakeholders and partners, both at international and national level to secure their active involvement.

For the **first GEIPP-SC**, staged at the end of the inception phase, a strategic plan / global framework for Component 2 will be prepared by UNIDO, and discussed with SECO for approval. This strategic plan will be specified through annual work plans, which will be prepared by UNIDO and equally approved by the SC. SECO will receive the annual work plans at least one month prior to the meeting. It is planned that the envisioned CTA will be contracted before this 1<sup>st</sup> GEIPP-SC. The first GEIPP-SC will also be used to agree on the first programme milestones whose attainment will be evaluated at the second GEIPP-SC. SECO HQ will consult with the cooperation offices for strategic inputs before the GEIPP-SC, potentially tailored via country specific SC (see below).

**Proposals for the formulation of new country interventions** will be prepared by UNIDO, based on the Macro Assessments and/or newly identified needs in a SECO priority country. The proposals will be consulted with SECO HQ and country offices and discussed by the SC during the meetings in person or virtually. SECO will approve these proposals taking into account the feedbacks received.

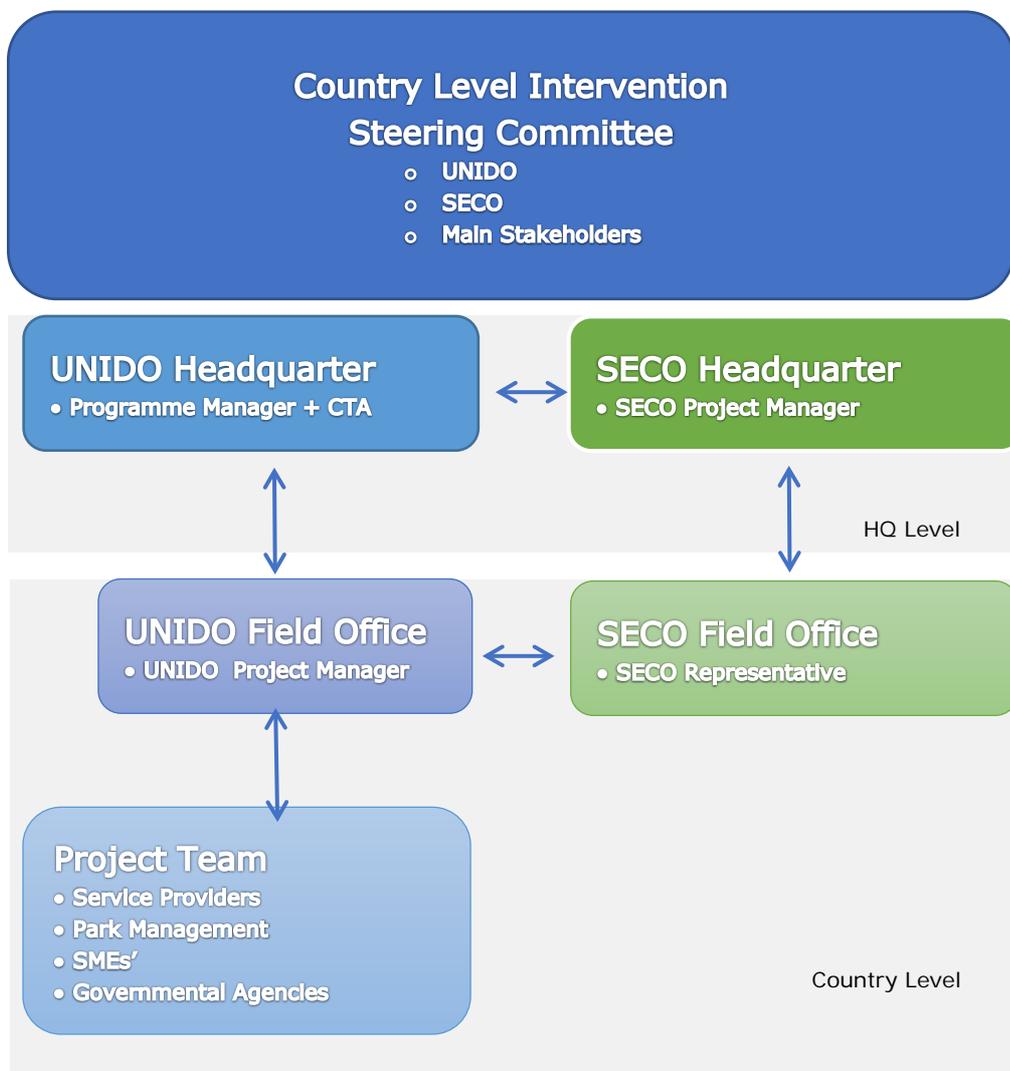
*GEIPP Programme Management (GEIPP-PM):* GEIPP will be implemented by UNIDO. UNIDO will provide its input through the Industrial Resource Efficiency (IRE) Division of the Department of Environment of UNIDO in Vienna and its network of Regional and Country Offices. This part will be further elaborated during the inception phase to define the direct involved divisions, units, staffing and the roles and tasks.

*Country specific 'Steering Committees' [#-EIP-SC]:* For each specific recipient country with substantial activities during GEIPP period a country specific committee will be established, to provide guidance for the implementation of single country-specific interventions. The Country Steering Committee consists of representatives of SECO-office in the respective country, designated country programme manager for the country activities, and key country beneficiaries (Ministries and leading private sector agencies) and will meet at least one month ahead of the scheduled GEIPP-SC to prepare an update of the progress of country performance. In case the country activities will be co-funded by additional donors, representatives of these donor agency/ies will become member of the Country Steering Committee also. It will be responsible for:

- All operational decisions, which may include the approval of annual work plans, progress reports as the basis for the project implementation, monitoring and evaluation;
- Significant changes to programme objectives and budget re-allocation;
- Significant amendments to timeline (implementation of activities);

- Approval of annual progress reports and work plans, including financial reports.

Figure 7: Project Organisation/Governance at country level



**Programme Advisory Board:**

Given that GEIPP also aims to strengthen knowledge capturing and sharing between the recipient countries and create synergy with other relevant programmes, an Advisory Board will be established to deal with knowledge gathering, sharing and solicit for strategic inputs and strengthen the Swissness of the programme.

This board is meant to convene in a virtual form on annual basis – preferable back to back with the GEIPP-SC. The Advisory Board will consist of maximum 10 members, respectively one (1) of the members of GEIPP Steering Committee (proposed as the chair), one (1) representative of SECO, heads of relevant programme units in UNIDO, four (4) acknowledged EIP-experts (one from each region), and representatives of (donors or implementing bodies of) other parallel programmes but not directly involved in this programme (such as potentially IFC, GIZ) to solicit for synergy but without complicating the direct steering by the GEIPP-SC.

UNIDO will reinforce synergies with the WBG by ensuring that donor activities are properly mapped before designing country level interventions. In addition, to exploit synergies for the development of products for the Global Knowledge Development, venues for formalizing the cooperation with WBG and GIZ will be explored. These issues will be addressed by SECO during the SCs.

**SECO HQ** will be regularly and directly involved in the overall strategic steering, above all with regard to the preparation of the programmatic development proposal for component 2, the approval of the annual work plans for component 2, the approval of the full-fledged interventions in component 1 (country projects / special country measures), as well as the progress reports and the steering committee meetings with UNIDO. Before the steering committee, SECO HQ will consult with SECO cooperation offices to incorporate their inputs into the overall strategic steering.

**SECO cooperation offices** will be closely involved by UNIDO in the elaboration and the implementation of the respective country interventions. They will play a particularly important role in the elaboration of the intervention, where they will be involved from the beginning (kick-off call) in supporting the country project formulation and identifying scaling up opportunities as well as potential synergies with other SECO projects. The cooperation offices will also provide input for the SC and participate at the SC on country level.

### ***C.5.2. Programme Management and Coordination***

UNIDO will administratively manage the programme, via the Industrial Resource Efficiency (IRE) Division of the Department of Environment of UNIDO. In order to ensure the implementation of the GEIPP, UNIDO will provide as its in-kind contribution the support on part-time of one (1) professional staff member and one (1) general support staff of IRE Division. The total contribution amounts up to CHF million 2.0.

In addition, a part time allocation is being made by several other staff members, including in particular the Chief of IRE Division, the Director of the Department of Environment and professional staff of the UNIDO Country and Regional Offices in the Programme countries. These further contributions are substantive but have in the context of this Project document not been further quantified.

### **C.6. Gender Mainstreaming**

UNIDO recognizes that gender equality and the empowerment of women has a significant positive impact on sustained economic growth and sustainable industrial development, which are drivers of poverty reduction and social integration.

UNIDO's policy on gender equality and the empowerment of women provides the overall guidelines for establishing a gender mainstreaming strategy, that:

- Ensures that a gender perspective is reflected in its programmes, policies and organizational practices.
- Advances the overall goal of gender equality and the empowerment of women, particularly the economic empowerment of women.

- Benefits from the diversity of experiences and expertise within the United Nations system to advance the internationally agreed development goals related to gender equality.
- Accelerates the Organization's efforts to achieve the goal of gender balance, in particular at decision-making levels.

The GEIPP will consider the following suggestions to integrate gender dimension in the whole scope of project management. These steps may be distinct activities or may be incorporated in the different activity components of the project:

- Mechanisms to ensure gender balanced representation and participation in project activities and decision-making process will be established along with the gender-specific targets or indicators that track gender results and impact. To the greatest possible extent, the project will consider gender balanced recruitment of project personnel and gender balanced representation in project committees.
- The GEIPP will encourage UNIDO Staff at Headquarter and national experts to receive training/workshop on basic gender training. When relevant, project staff will have gender related tasks incorporated in their job descriptions.
- Because gender equality is a key social characteristic of EIPs, it will be addressed in relevant policies and EIP opportunities implemented by industrial parks and enterprises. The GEIPP aims to identify and consult gender focused groups and associations (if any in the different target countries) during the scoping phase (output 1.1 "Mapping of existing capacity of institutions and service providers on EIP"). These groups and associations could also support the strengthening of national institutions relevant to EIP policy development and implementation, with regards to gender equality. More details on this activity will be drafted in the country specific project documents
- In the targeted industrial parks, the GEIPP will bring benefits to support institutions and other actors in which both men and women staff will have a chance to improve their skills and knowledge. All required efforts will be made by the Programme to enrol as much as possible women to give equal opportunity in its planned training activities, both at management and technical levels, and encourage them to participate in all relevant Programme and country projects activities, including decision-making activities.
- During the Benchmarking and in-depth analysis of potential candidate industrial parks for EIP interventions (Output 2.1) the GEIPP will consider potential for improving gender equality when setting up the criteria for selecting the SME's and businesses to receive technical assistance and also for training. The selection procedures will ensure the "objective" application of these criteria, avoiding any kind of discrimination.
- Gender equality is a very important criterion of industrial parks to meet international standards and requirements for EIP. Therefore, gender equality will be an important component of the training activities for park management and tenant companies, in order to improve the social performances of industrial parks.

- When relevant and possible, indicators measuring the performance of the programme implementation will be sex-disaggregated (e.g. number of employees participating in workshops and trainings). Additionally, some social and economic indicators measuring the performance of eco-industrial parks will be sex-disaggregated (e.g. number of local employment, number of incidents/accidents per year). Finally, a specific indicator described in the International Framework for Eco-Industrial Parks will be adapted and served as a key performance indicator of the Programme (Output 2.3, “ratio of underrepresented gender workforce who benefit from available supporting infrastructure/programs for skills development”).
- To summarize, the gender markers are as follow:

<b>Outcome</b>	<b>Output</b>	<b>Gender marker</b>
<b>Outcome 1:</b> EIP incentivised and mainstreamed in relevant policies and EIP opportunities implemented by enterprises	<b>Output 1.2:</b> Capacity building measures carried out for strengthening national Institutions relevant to EIP policy development and implementation	# of involved staff from relevant governmental agencies (ensuring 40% representation of gender underrepresented)
<b>Outcome 2:</b> EIP opportunities identified, implementation started and the environmental, resource use, economic and potential other social benefits accomplished by enterprises have been confirmed and preferably verified.	<b>Output 2.2:</b> Enhanced capacity of industrial parks and tenant SME's to meet international standards and requirements for EIP	# of industrial park management-staff trained (ensuring 40% representation of gender underrepresented) # of SME-staff trained (ensuring 40% representation of gender underrepresented)
	<b>Output 2.3:</b> EIP requirements implemented by park management and tenant SME's to improve their environmental, social and economic performance	Ratio of underrepresented gender workforce who benefit from available supporting infrastructure/programs for skills development.

### C.7. RBM Codes and Thematic Area Code

UNIDO RBM code and thematic area code are:

- RBM code category: GC3 Safeguarding the Environment
- RBM code subcategory: GC31 RECP and low carbon production
- Thematic area code: Energy and Environment

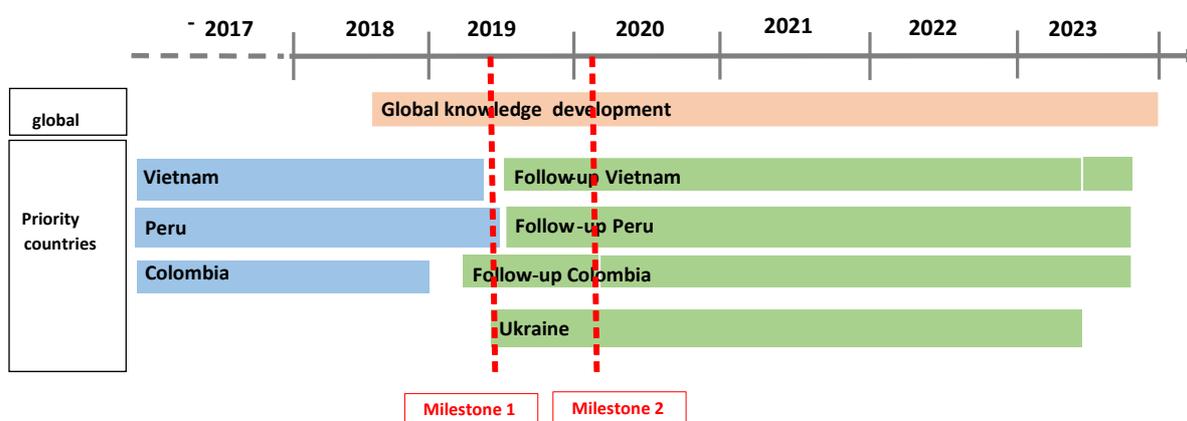
### C.8. Timeline of the Activities

The EIP Programme has been scoped for a period of five years, tentatively from late 2018/early 2019 to 2023. An indicative timeline has been elaborated as in Figure 8. As

the number and scope of the country projects and their timing and duration are subject to further preparation at a later stage (in the inception phase), the illustrative project activities have not yet been planned in detail here.

The country level interventions will be launched in a **sequenced approach**. It is not expected that each recipient country – considering the variety of conditions – will follow the same roadmap in the same speed but tailored to the needs, gaps, interest and readiness of that country for EIP-interventions.

Figure 8: Illustration of project sequencing and programme milestones (indicative only)



The global EIP Programme will be made operational with Annual Work Plans (AWP) and budgets. The AWP describe the results and outputs to be achieved and estimate the necessary inputs and budgets. Upon their endorsement by the Programme Steering Committee, these AWP form a binding commitment of the Programme management to the Programme Steering Committee on the use of resources available to the Programme. UNIDO will take final responsibility for the timely preparation of the AWP for the Programme Activities upon consultation. As described in the abovementioned programme components and activities there will be a clear sequencing of those activities, to build upon each activity and define interlinkages and thereby avoiding the isolated activities running in parallel and not clearly integrated.

### C.9. Risks and Assumptions

The risk that sustainable industrial development and/or eco-industrial parks are not perceived relevant is considered very low for the Programme. The main reason is that the Programme will operate in countries which already have some experience in EIP and/or related areas, due to prior attention given to RECP. Development of country specific EIP-pilots will be based on baseline assessment and screening in the inception /design stage of activities; e.g. on country level (in-depth needs assessment, including the adoption capacity of the key organisations in the recipient countries and quality of envisioned local EIP service providers) and on candidate industrial parks for piloting (classification of type

of park, options for improvement and interest and commitment to join).

The overall objective relates to the implementation of EIP concepts, methods, practices and policies by various stakeholders in the private, public and civil sectors. This is based on the assumption that EIP is beneficial for host countries providing an opportunity for enterprises, governments and other stakeholders to achieve tangible, and preferably measurable, benefits from EIP implementation.

The ability to reap a benefit from EIP implementation is contingent on several factors:

- The level of national policies and strategies that support or hamper the implementation of EIP (e.g. (national and local) planning policies and procedures, licensing, industrial policies, etc.);
- The price of natural resources, including energy, water and materials, and their availability in sufficient quantity and quality for industrial applications, in particular for water and renewable materials;
- The balance of costs and risks of compliance and non-compliance, with environmental laws and regulations and trade agreements, determining whether there is an economic and/or other business benefit to comply;

If past trends continue into the future, there is a reasonable expectation that non-compliance becomes gradually more expensive (due to implementation and enforcement of environmental and trade policies and legislation), that the price of natural resources increases (due to real price increase on the global markets and gradual removal of subsidies) and that market demand for environmental performance will rise (due to greater consumer awareness).

- Market demand for environmental performance as reflected in pressure from institutional buyers (overseas and national) and local consumer demand for environmentally sound goods and services;
- Quality of EIP services, as reflected in the appropriateness of the EIP solutions recommended to businesses and other organisations and impacting on the costs, benefits and risks associated with their implementation by these businesses and other organisations;
- The availability and accessibility of financial sources for necessary investment during the implementation stage;
- The availability and costs of technology, finance and technical and other business services required for EIP implementation.

The key assumption across all Programme outputs is the willingness of various stakeholders to engage with the Programme and commit some human and possibly other resources to its implementation. This applies to the EIP Services Providers (in regard to network related Programme outputs), to businesses and other organisations (in regard to the project outputs), to governments and financial institutions (in regard to the Programme's output on developing and strengthening the enabling environment conditions) and to providers of process innovation and product development services, including of necessary technologies.

The sourcing and selection of EIP Services Providers – via tendering - will be predominantly based on expertise and experience, and not only on existing relationships with UNIDO via, for instance, the RECP network. The members of that network are encouraged to apply for specific tasks, but will not be regarded as preferred service providers, contrary to earlier UNIDO-RECP programmes. In case of (expected) limited number of sufficiently qualified local EIP service providers the programme will also assess the ability of additional service providers to become key service providers in the near future and utilise the programme to strengthen and upgrade their skills and expertise for the future.

Willingness to engage in the programme will largely depend on perceived need for EIP implementation and the perceived and actual quality of the Programme's inputs and outputs. The perceived need is a direct reflection of the assumptions and risks at outcome level described above. The perceived and actual quality of the Programme's inputs pertains to aspects such as the Programme's leadership on EIP and aspects of its implementation in different contexts, the knowledge, skills and experiences of the experts involved, and the programme's ability to capture and disseminate best practices. These are factors that are within the scope of the Programme's management. As a commitment to excellence, UNIDO has taken significant steps in its previous programmes to strengthen and extend the human resource and skills and knowledge bases of its respective programme management units in charge of delivering this EIP Programme.

### **C.10. Sustainability Aspects**

The programme (GEIPP) will address the sustainability of its results at 3 levels:

- **Finance:** UNIDO will strive to use SECO's allocated budget as leverage for attracting additional funding for country specific projects in GEIPP. Experience from the past – GEF-funding in Vietnam and Peru – showed that development of EIP is an appealing proposal. Additionally, UNIDO will continue its collaborative activities with WBG/IFC and GIZ and thereby also exploring windows of opportunity for leverage.
- **Policy:** GEIPP explicitly addresses policy interventions in order to strengthen structural impact of the interventions and results achieved — e.g. strengthened and/or improved legislation, codes of conduct, and methods as well as building of policy development and implementation capacity. Government and its agencies at national and sub-national levels are explicit target groups for mainstreaming to mainstream EIP concepts and policy instruments in the development, implementation and enforcement of relevant policies and legislation, including the environment, industry, technology and other applicable policy domains. This will activate and/or strengthen the incentives for businesses and other organisations to consider and implement EIP in their operations.
- **Institutional:** GEIPP will build capacities at different levels: On the one hand, the objective of component 2 is to generate and disseminate knowledge from planned

and past actions, which can be used to further strengthen a common understanding how to apply EIP, on the other hand component 1 will intervene along three axes: i) coordination with and among local experts and institutions will foster knowledge and capacity transfer from the beginning of GEIPP. This enhances awareness, commitment and involvement from local stakeholders and lays the foundation for sustainability, ii) train-the-trainers approach: lessons learnt from previous programmes indicate that recruitment of staff with the required profiles and retention of such staff can be a problem; to circumvent this as far as possible and improve long term sustainability, the project activities will apply a train-the-trainer approach, and iii) holistic approach to upgrading: when working with firms directly, UNIDO applies a holistic approach which does not only focus on compliance and delivery parameters, but also includes sustainability considerations, including resource efficiency, operational health and safety, and cleaner production, amongst others. By integrating component 2 as a Knowledge Hub into the platform being created by UNIDO during the past RECP-programme and utilising the strengths and of the RECPnet, future sustainability will be further enhanced. The knowledge generated will exceed the GEIPP framework in scope and duration and will serve as a useful tool for future RECP related programmes and projects.

## **D: Inputs**

This section provides a summary of the inputs required for the implementation of the designated Core Programme Activities of the EIP Programme. Even though this excludes details for the specific inputs required for the execution of the contributing supportive and country projects, the types of inputs and requirements for these contributing projects will be similar to the ones necessary for the Core Programme Activities. The inputs are summarised by the key implementing partners for the EIP Programme.

### **D.1. UNIDO Inputs**

From UNIDO's side the Programme Manager of the Industrial Resource Efficiency Division, under supervision of Chief of IRE Division and the Director of the Department of Environment, will be assigned as **GEIPP Programme Manager**, responsible for overall management and coordination of GEIPP, as in-kind contribution from UNIDO.

In addition, a full-time **GEIPP CTA** will be recruited, financed by the GEIPP-budget, to be in charge of the technical day-to-day coordination, administration and monitoring under the supervision of GEIPP Programme Manager. The GEIPP CTA will act as the Secretary of the SC and prepare all necessary documentation for the meetings. GEIPP as a whole and in particular the global Programme Activities for networking, knowledge capturing and sharing, and status reviews are critically dependent on ensuring the smooth operation with a pool of EIP Services Providers (see below). UNIDO will therefore appoint one (1) **project assistant** to assist the CTA with the day-to-day communications, the capture and dissemination of knowledge.

The management of the country level interventions at UNIDO HQ will be ensured by the

GEIPP CTA in close consultation with UNIDO country offices. Only in case the size of an intervention project (as a result of leverage with other funds) is substantial and the span of control too large a specific regional/country specific full-time project manager is foreseen, financed via the additional funding (such as GEF).

The actual implementation of programme interventions will be done via programme-funded sub-contracted international experts; both experts from developed countries (providing advanced knowledge on EIP-tools and implementation) as well as from developing countries (either experts serving as service providers in country specific interventions in their home country or initiating south-south cooperation).

The international experts will provide support to UNIDO in programme component 2 (global knowledge development) programme activities:

- Developing and expanding the knowledge management system;
- Developing and delivering professional training and background reviews on opportunities and methods for up-scaling of EIP activities and impacts;
- Undertaking status reviews on the impact of EIP country activities;
- Assisting with the development, trial and evaluation of the guidelines for mainstreaming EIP in government policy and enterprise finance.

And by supporting component 1 activities (country level interventions) via guiding and coaching the national experts conducting country specific EIP-activities.

National experts will generally be the EIP Services Providers in recipient countries in programme component 1 (country level interventions), provided they possess the right qualifications and experiences for the requested expert services. It is expected that the respective EIP Services Providers conduct the following tasks:

- Conduct the country specific EIP-activities;
- Assistance to UNIDO in the organisation of meetings, conferences in their respective home countries;
- Assistance in the organisation of missions of staff of UNIDO and their experts to the respective home countries and support in the establishment of contacts with governmental, financial or other institutions based in the respective home countries;
- Information on its activities and projects of its counterparts, with the purpose of updating the knowledge management system of the international network;
- Indicators on the results and impact of its activities, in order to produce a yearly report of results and impacts of the international network;
- Assistance in the collection of country-specific information for the elaboration of national and/or regional or international projects where the country is involved; and
- Participation of its relevant staff in international meetings of the EIP programme, and in relevant training and other professional development and peer learning and knowledge management events.

## **D.2. Network meetings and training**

Over the proposed five-year programme duration global (or sub-regional) meetings are planned; at least 3 meetings during the programme period (intermediary events during 2<sup>nd</sup> and 4<sup>th</sup> year and closing event at the end of the programme). The networking meetings will bring together the members of GEIPP Steering Committees, representatives from the respective country Steering Committees, involved EIP Service providers (both for the global activities as well as the country specific activities) and representatives (managers and experts) of parallel ongoing global EIP-activities (such as WBG and GIZ initiatives). The meetings will be organised in conjunction with either meetings of the RECP*net* (global or regional meetings) or relevant other EIP-meetings thereby efficiently utilise budgets and effectively disseminate information from GEIPP to others and solicit from inputs. The meetings serve to update members on key activities, initiatives and achievements of GEIPP, and provide a platform for in-depth discussion on selected topics of common interest for advancing knowledge and implementation of EIP concepts, methods, techniques and policies. It is anticipated that the network meetings will be combined with some thematic training sessions, to take advantage of the fact that members have already travelled to one central location for the global networking meetings.

## **D.3. Equipment and supplies**

It is not foreseen to purchase any equipment for the execution of the Programme Activities of the EIP Programme. A provision is however made for supplies to have some budget available for publication of tools, reports, manuals and studies produced by the Programme.

## E: Budget

### E.1. Programme Budget

GEIPP will be funded by Switzerland through the State Secretariat for Economic Affairs (Seco). The resulting indicative budget for the Programme is provided in Table 4.

*Table 4: Indicative programme budget (cumulative for 5 years) in CHF*

<b>Programme Components</b>	<b>CHF</b>
<b>Component 1 – Country level interventions</b>	<b>8,000,000<sup>5</sup></b>
<b>Component 2 - Global Knowledge Development</b>	<b>1,250,000</b>
<b>Programme Management &amp; Monitoring</b>	<b>1,662,000</b>
<b>Programme Evaluation</b>	<b>149,947</b>
<b>Sub-Total</b>	<b>11,061,947</b>
<b>Programme Support Costs (13%)</b>	<b>1,438,053</b>
<b>Total</b>	<b>12,500,000</b>

Co-financing is useful in bringing more resources to Seco funded projects, increasing country ownership, and creating strong partnership on the ground. The main sources of co-financing would be national governments, multilateral agencies and the private sector. High levels of co-financing may not be achievable or relevant in all instances. Therefore, UNIDO and Seco will continue to review project co-financing as part of the formulation of the country specific project document and particularly the assessment of whether the project is supported by an adequate financing package.

### E.2. Core Programme Activities

A detailed budget breakdown of the global EIP Program is tentatively provided in Tables 4 and 5.

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<sup>5</sup> For each of the four countries (Colombia, Peru, Ukraine and Vietnam) the budgetary allocation for country level interventions is CHF 2,000,000)

Table 5: Total budget breakdown per outputs per year (in CHF)

Components	Description	Budget in CHF					
		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Component 1: Country level interventions	<b>Outcome 1: EIP incentivised and mainstreamed in relevant national policies</b>						
	<b>Output 1.1:</b> Mapping of existing capacity of institutions and service providers on EIP	100,000	100,000	125,000	125,000	50,000	500,000
	<b>Output 1.2:</b> Capacity building measures carried out for strengthening national Institutions relevant to EIP	200,000	200,000	250,000	250,000	100,000	1,000,000
	<b>Sub-total</b>	<b>300,000</b>	<b>300,000</b>	<b>375,000</b>	<b>375,000</b>	<b>150,000</b>	<b>1,500,000</b>
	<b>Outcome 2: EIP opportunities identified and implemented</b>						
	<b>Output 2.1:</b> Benchmarking and in-depth analysis of potential candidate industrial parks for EIP interventio	100,000	150,000	250,000	250,000	100,000	850,000
	<b>Output 2.2:</b> Enhanced capacity of industrial parks and tenant SME's to meet international EIP standards	500,000	550,000	800,000	700,000	100,000	2,650,000
	<b>Output 2.3:</b> EIP requirements implemented by park management and tenant SME's to improve their envi	400,000	600,000	900,000	900,000	200,000	3,000,000
<b>Sub-total</b>	<b>1,000,000</b>	<b>1,300,000</b>	<b>1,950,000</b>	<b>1,850,000</b>	<b>400,000</b>	<b>6,500,000</b>	
Component 2: Global knowledge development	<b>Outcome 3: Knowledge building , capturing and sharing on EIP enhanced</b>						
	<b>Output 3.1:</b> Specific EIP tools developed	50,000	50,000	50,000			150,000
	<b>Output 3.2:</b> EIP services delivery capacity strengthened	100,000	100,000	150,000	150,000	0	500,000
	<b>Output 3.3:</b> Lessons learnt from EIP activities properly captured and effectively exchanged			100,000	100,000	100,000	300,000
	<b>Output 3.4:</b> Activities to raise EIP awareness developed	50,000	50,000	50,000	50,000	100,000	300,000
<b>Sub-total</b>	<b>200,000</b>	<b>200,000</b>	<b>350,000</b>	<b>300,000</b>	<b>200,000</b>	<b>1,250,000</b>	
Management	<b>Programme Management</b>						
	<b>Output 4.1:</b> Technical Adviser (CTA)	280,000	280,000	275,000	275,000	250,000	1,360,000
	<b>Output 4.2:</b> Further programme development and administration of its implementation	20,000	20,000	25,000	25,000	49,947	139,947
	<b>Output 4.3:</b> Monitoring	25,000	25,000	40,000	25,000	47,000	162,000
<b>Sub-total</b>	<b>325,000</b>	<b>325,000</b>	<b>340,000</b>	<b>325,000</b>	<b>346,947</b>	<b>1,661,947</b>	
Evaluation	<b>Evaluation</b>						
	<b>Output 5.1:</b> Mid term evaluation			50,000			50,000
	<b>Output 5.2:</b> Final evaluation					100,000	100,000
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>100,000</b>	<b>150,000</b>	
	<b>Total</b>	<b>1,825,000</b>	<b>2,125,000</b>	<b>3,065,000</b>	<b>2,850,000</b>	<b>1,196,947</b>	<b>11,061,947</b>
	<b>Programme support costs (13%)</b>	237,250	276,250	398,450	370,500	155,603	1,438,053
	<b>Grand Total</b>	<b>2,062,250</b>	<b>2,401,250</b>	<b>3,463,450</b>	<b>3,220,500</b>	<b>1,352,550</b>	<b>12,500,000</b>
Nota bene	<i>The above Log-frame based budget breakdown is indicative and for reference purposes only</i>						

Table 6: Total budget breakdown per outputs per year and per budget lines (in CHF)

Components	Description	Budget in CHF								
		BL1100	BL1500	BL 1600	BL 1700	BL 2100	BL 3000	BL 4500	BL 5100	Total
Component 1: Country level interventions	<b>Outcome 1: EIP incentivised and mainstreamed in relevant national policies</b>									
	Output 1.1: Mapping of existing capacity of institutions and service providers on EIP	100,000	40,000	50,000	100,000	150,000	50,000		10,000	500,000
	Output 1.2: Capacity building measures carried out for strengthening national Institutions relevant to EIP	250,000	50,000	50,000	250,000	250,000	100,000	40,000	10,000	1,000,000
	<b>Sub-total</b>	<b>350,000</b>	<b>90,000</b>	<b>100,000</b>	<b>350,000</b>	<b>400,000</b>	<b>150,000</b>	<b>40,000</b>	<b>20,000</b>	<b>1,500,000</b>
	<b>Outcome 2: EIP opportunities identified and implemented</b>									
	Output 2.1: Benchmarking and in-depth analysis of potential candidate industrial parks for EIP intervention	250,000	25,000	50,000	200,000	180,000	100,000	40,000	5,000	850,000
	Output 2.2: Enhanced capacity of industrial parks and tenant SME's to meet international EIP standards	800,000	50,000	50,000	800,000	775,000	100,000	55,000	20,000	2,650,000
Output 2.3: EIP requirements implemented by park management and tenant SME's to improve their environment	1,000,000	50,000	50,000	1,000,000	700,000	150,000	40,000	10,000	3,000,000	
<b>Sub-total</b>	<b>2,050,000</b>	<b>125,000</b>	<b>150,000</b>	<b>2,000,000</b>	<b>1,655,000</b>	<b>350,000</b>	<b>135,000</b>	<b>35,000</b>	<b>6,500,000</b>	
Component 2: Global knowledge development	<b>Outcome 3: Knowledge building , capturing and sharing on EIP enhanced</b>									
	Output 3.1: Specific EIP tools developed	25,000	10,000	25,000	20,000	20,000	25,000	20,000	5,000	150,000
	Output 3.2: EIP services delivery capacity strengthened	150,000	10,000	30,000	50,000	100,000	50,000	50,000	10,000	450,000
	Output 3.3: Lessons learnt from EIP activities properly captured and effectively exchanged	100,000	10,000	10,000	50,000	100,000	10,000	10,000	10,000	300,000
	Output 3.4: Activities to raise EIP awareness developed	100,000	10,000	10,000	50,000	150,000	10,000	10,000	10,000	350,000
<b>Sub-total</b>	<b>375,000</b>	<b>40,000</b>	<b>75,000</b>	<b>170,000</b>	<b>370,000</b>	<b>95,000</b>	<b>90,000</b>	<b>35,000</b>	<b>1,250,000</b>	
Management	<b>Programme Management</b>									
	Output 4.1: Technical Adviser (CTA)	1,260,000		100,000						1,360,000
	Output 4.2: Further programme development and administration of its implementation	70,000	10,000		50,000				9,947	139,947
	Output 4.3: Monitoring	50,000	40,000		50,000			12,000	10,000	162,000
<b>Sub-total</b>	<b>1,380,000</b>	<b>50,000</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>12,000</b>	<b>19,947</b>	<b>1,661,947</b>	
Evaluation	<b>Evaluation</b>									
	Output 5.1: Mid term evaluation	30,000	5,000	5,000	10,000					50,000
	Output 5.2: Final evaluation	50,000	5,000	5,000	30,000				10,000	100,000
<b>Sub-total</b>	<b>80,000</b>	<b>10,000</b>	<b>10,000</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>150,000</b>	
<b>Total</b>	<b>4,235,000</b>	<b>315,000</b>	<b>435,000</b>	<b>2,660,000</b>	<b>2,425,000</b>	<b>595,000</b>	<b>277,000</b>	<b>119,947</b>	<b>11,061,947</b>	
<b>Programme support costs (13%)</b>	<b>550,550</b>	<b>40,950</b>	<b>56,550</b>	<b>345,800</b>	<b>315,250</b>	<b>77,350</b>	<b>36,010</b>	<b>15,593</b>	<b>1,438,053</b>	
<b>Grand Total</b>	<b>4,785,550</b>	<b>355,950</b>	<b>491,550</b>	<b>3,005,800</b>	<b>2,740,250</b>	<b>672,350</b>	<b>313,010</b>	<b>135,540</b>	<b>12,500,000</b>	
Note bene	<i>Estimates can be shifted between BL's in order to undertake contractual arrangements as per best financial option (value for money) in line with UNIDO's financial rules and regulations.</i>									
	<i>The above Log-frame based budget breakdown is indicative and for reference purposes only</i>									

## F: Monitoring, Reporting and Evaluation

Standard indicators <sup>(6)</sup> :	<ul style="list-style-type: none"> <li>• Greenhouse gas emissions saved or avoided in t CO<sub>2</sub>eq</li> <li>• Kilowatt hours saved through energy-efficiency measures and kilowatt hours additionally produced from renewable energy</li> <li>• Increased resource efficiency</li> <li>• Green investments additionally triggered in mio. USD and financing instruments supported</li> <li>• Conducive policies and regulations implemented and enforced and EIP promoted by strong custodian at the national level</li> </ul>
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The monitoring of the global EIP Programme will give particular attention to the impact level (that is in regards to the benefits achieved from the implementation and hence the practical contributions to the development objective of GEIPP) and utilisation of UNIDO's institutional supervision and reporting system in a robust manner that proper oversight, coordination, tracking and integration of the global (knowledge development) activities as well as the individual (country) projects can be guaranteed.

*KPIs relevant for GEIPP*, covering all main activities and outputs of GEIPP, are included in the Logical Framework in Annex I to this Project Document. Using this as a starting point it is proposed to develop in the first year a more comprehensive indicator set that covers micro (enterprise), meso (EIP service provider) and macro (policy/country) aspects of GEIPP, with environmental, resource productivity and institutional dimensions. A known barrier of Eco-Industrial Parks is the lack of indicators which presents a challenge to quantifying and communicating the benefits to companies and developers. A set of indicators therefore will be developed during the first year of GEIPP, based on the recently released International Framework for Eco-Industrial Parks – and tested on the EIP-programmes already ongoing at that time (launched in the previous RECP-programme) - to measure management and governance practices, social benefits, knowledge sharing, and collaborations that lead to greater resilience and competitiveness.

**UNIDO will monitor the GEIPP against its Logical Framework and Theory of Change.** GEIPP CTA will support GEIPP Programme Manager in terms of obtaining and consolidating relevant information on all levels based on key Programme performance indicators (KPIs). The activities foreseen under Component 2 and the Country Projects under Component 1 will be monitored on regular basis by the designated Project Managers, in close collaboration with the respective project teams and key counterparts in the field. The countries project managers are responsible to collect relevant information/data for the consolidation by the GEIPP CTA. The Project Managers will monitor the progress with a results-based management approach, oriented towards performance in terms of delivering outputs and achieving desired outcomes. The project will be regularly monitored to ensure timely

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<sup>(6)</sup> In line with Guidelines on Results Reporting with SECO Standard Indicators

identification of possible implementation challenges and provide opportune support in addressing them.

**Evaluation:** GEIPP will be evaluated in accordance with UNIDO Evaluation Policy. A mid-term and a final independent evaluation should be conducted, comprising all elements of the program. The final evaluation will be led by UNIDO's Evaluation Group. It will be carried out by an external consultant team agreed upon by SECO and UNIDO, according to UNIDO's practices.

A specific **impact evaluation** will be staged – in line with recommendations made in the Terminal Evaluation of the previous RECP-programme - in the final year of GEIPP. The main objective of this evaluation should be assessment of the environmental, economic and social benefits generated by interventions implemented. At the scale of the parks and firms, the evaluation should compare baseline conditions documented with changes found after implementation of EIP recommendations. This evaluation would also include the analysis of factors that have prevented enterprises from adopting recommendations. This information should be used to adjust future projects to more precisely target project interventions. The impact evaluation should also assess project contributions to the necessary conditions for transformation to sustainable industries.

## **G: Legal Context**

The programme activities defined in this project document will be carried out under established UN basic assistance agreements in force.

The Government of Switzerland agrees to apply to the present programme, *mutatis mutandis*, the provisions of the Standard Basic Assistance Agreement between the United Nations Development Programme and the Government, signed on 29 May 1974 and entered into force on 23 January 1975.

## Annex I: Logical Framework of the Global EIP Programme

Strategy of Intervention	Key Performance Indicators	Means of Verification	External Factors (assumptions / risks)
<b>Development objective (impact)</b>	<b>Impact indicators</b>		
<p>The development objective of GEIPP is to demonstrate the viability and benefits of Eco-Industrial Park approaches in scaling up resource productivity and improving economic, environmental and social performances of businesses and thereby contribute to inclusive and sustainable industrial development in the participating developing and transition economies.</p>	<ul style="list-style-type: none"> <li>- <i>Environment</i>: reduced environmental footprint of the business sector: Greenhouse gas emissions saved or avoided in t CO<sub>2</sub>eq Kilowatt hours saved through energy-efficiency measures and kilowatt hours additionally produced from renewable energy</li> <li>- <i>Production Efficiency</i>: increased resource productivity and reduced operational and/or compliance costs of the business sector</li> <li>- <i>Policy and institutional</i>: conducive policies and regulations implemented and enforced and EIP promoted by strong custodian at the national level</li> <li>- <i>Finance</i>: opportunities for financing EIP investments established and are being utilized (Green investments additionally triggered in mio. USD and financing instruments supported)</li> <li>- <i>Technology</i>: enhanced assimilative capacity for ESTs and sustainable products</li> <li>- # of IPs involved in GEIPP</li> <li>- # of EIP activities of enterprises</li> <li>- # of EIP activities of government</li> <li>- # of EIP initiatives of providers of business services # of EIP initiatives of financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>- Programme evaluation (midterm and final)</li> <li>- Aggregated results from reviews</li> <li>- Aggregated results from national projects</li> <li>- Annual reports of enterprises, government agencies, business Services and finance providers and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>- EIP is beneficial for host countries and enterprises, governments and other stakeholders (tangible and measurable benefits from EIP implementation ('win-win' premise))</li> <li>- Governments are committed to enhancing EIP.</li> <li>- Participating SMEs and park management are committed and will make available the required resources to maintain the improved operational practices and systems.</li> <li>- External economic factors can hinder the expected results.</li> </ul>

## Component 1: Country Level Interventions

Strategy of Intervention	Key Performance Indicators	Means of Verification	External Factors (assumptions / risks)
<b>Outcome 1</b>	<b>Outcome Indicators</b>		
<b>EIP incentivised and mainstreamed in relevant policies and EIP opportunities implemented by enterprises with confirmed environmental, economic and social benefits in the respective participating / target countries</b>	<ul style="list-style-type: none"> <li>- Increased role for EIP in environmental, industry and other relevant policies at national levels</li> <li>- Reduced environmental footprint of enterprises (increased resource efficiency, saved or avoided GHG emissions, saved kWh, etc.)</li> <li>- Increased resource productivity of enterprises</li> <li>- Reduced operational and compliance costs of enterprises</li> <li>- (Green) investment applied by involved enterprises</li> <li>- Increased social performances of industrial parks (e.g. better working and labour conditions, local community well-being, gender equality)</li> </ul>	<ul style="list-style-type: none"> <li>- National communications of host governments</li> <li>- Annual reports of EIP Services Providers participating in the network</li> <li>- Programme Evaluation (mid-term and final)</li> </ul>	<ul style="list-style-type: none"> <li>- Uptake of EIP by enterprises and other organisations is constrained by lack of government incentive</li> </ul>
<b>Outputs</b>	<b>Output Indicators</b>		
<b>Output 1.1</b> Mapping of existing capacity of institutions and service providers on EIP	<ul style="list-style-type: none"> <li>- # of base lines identified.</li> </ul>	<ul style="list-style-type: none"> <li>- Expert reports.</li> <li>- Project reports.</li> </ul>	<ul style="list-style-type: none"> <li>- Responsible authorities and stakeholders accept the cooperation, and commit to accept the findings and to integrate them into their respective strategic and operational plans.</li> </ul>
<b>Output 1.2.</b> Capacity building measures carried out for strengthening national Institutions relevant to EIP policy development and implementation	<ul style="list-style-type: none"> <li>- # of involved staff from relevant governmental agencies (ensuring 40% representation of gender underrepresented)</li> <li>- # of comprehensive action (policy) plans developed focusing on the EIP needs.</li> <li>- # of revised of new policies &amp; strategies (improved rules and regulations and enhanced competitiveness for facilitating market access)</li> </ul>	<ul style="list-style-type: none"> <li>- Project reports (related to training)</li> <li>- Policy briefs</li> </ul>	<ul style="list-style-type: none"> <li>- Responsible political authorities accept the cooperation and integrate the findings and policy recommendations into their respective strategic and operational plans.</li> <li>- Relevant bodies have adequate infrastructure and sufficient human and financial resources to carry out the activities.</li> <li>- Responsible authorities and institutions support international participation.</li> </ul>

Strategy of Intervention	Key Performance Indicators	Means of Verification	External Factors (assumptions / risks)
<b>Outcome 2</b>	<b>Outcome Indicators</b>		
<b>EIP opportunities identified, implementation started and the environmental, resource use, economic and potential other social benefits accomplished by enterprises have been confirmed and preferably verified.</b>	<ul style="list-style-type: none"> <li>- Reduced environmental footprint of enterprises (increased resource efficiency, saved or avoided GHG emissions, saved kWh, etc.)</li> <li>- Increased resource productivity of enterprises</li> <li>- Reduced operational and compliance costs of enterprises</li> <li>- (Green) investment applied by involved enterprises</li> </ul>	<ul style="list-style-type: none"> <li>- Environment, financial and/or sustainability reports of enterprises</li> <li>- Biannual management reports of EIP Programme</li> <li>- Programme Evaluation (mid-term and final)</li> </ul>	<ul style="list-style-type: none"> <li>- There is insufficient consideration of the potential and importance of EIP as cornerstone for business contributions to resource efficiency, waste and pollution prevention and corporate responsibility</li> <li>- Availability of compelling success stories with environmental, resource use and cost benefits of EIP implementation</li> </ul>
<b>Output 2.1</b> Benchmarking and in-depth analysis of potential candidate industrial parks for EIP interventions	<ul style="list-style-type: none"> <li>- # of baselines identified</li> <li>- # of IP's screened and selected</li> </ul>	<ul style="list-style-type: none"> <li>- Experts reports</li> <li>- Project reports</li> </ul>	-
<b>Output 2.2</b> Enhanced capacity of industrial parks and tenant SME's to meet international standards and requirements for EIP	<ul style="list-style-type: none"> <li>- # of industrial park management-staff trained (ensuring 40% representation of gender underrepresented)</li> <li>- # of SME-staff trained (ensuring 40% representation of gender underrepresented)</li> </ul>	<ul style="list-style-type: none"> <li>- Attendance list</li> <li>- Workshop agenda</li> <li>- Workshop reports</li> </ul>	
<b>Output 2.3</b> EIP requirements implemented by park management and tenant SME's to improve their environmental, social and economic performance	<ul style="list-style-type: none"> <li>- # of IPs with improvements (Park management services, environmental, social and economic performance)</li> <li>- # of SMEs with improvements (environmental, social and economic performance)</li> <li>- Environmental performance:               <ol style="list-style-type: none"> <li>1. Energy efficiency (kWh/USD turnover)</li> <li>2. Renewable energy (Ratio of renewable energy use in park)</li> <li>3. Water efficiency (Ratio of water reused/recycled)</li> <li>4. Waste reuse and recycling (Ratio of solid waste)</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>- Environment, financial and/or sustainability reports of IPs</li> <li>- Environment, financial and/or sustainability reports of enterprises</li> </ul>	

Strategy of Intervention	Key Performance Indicators	Means of Verification	External Factors (assumptions / risks)
	<p>reused/recycled)</p> <p>5. Climate change (GHG emissions reduction tCO2 Eq. / year)</p> <ul style="list-style-type: none"> <li>- Social performance:               <ol style="list-style-type: none"> <li>1. Ratio of companies/parks with occupational health and safety management systems</li> <li>2. Industrial park safety and security (number of incidents/ accidents per year)</li> <li>3. Ratio of underrepresented gender workforce who benefit from available supporting infrastructure/programs for skills development.</li> </ol> </li> <li>- Economic performance:               <ol style="list-style-type: none"> <li>1. Number of local employment</li> <li>2. Amount of actual investments on RECP/EIP identified options (USD/year)</li> <li>3. Amount of actual investments on RECP/EIP related measures via co-financing (Government or financial institutions)</li> </ol> </li> </ul>		

## Component 2: Global Knowledge Development

Strategy of Intervention	Key Performance Indicators	Means of Verification	External Factors (assumptions / risks)
<b>Outcome 3</b>	<b>Outcome Indicators</b>		
<b>Knowledge building (of EIP services providers), capturing and sharing (amongst all key stakeholders) enhanced</b>	<ul style="list-style-type: none"> <li>- Recognition of EIP Services Providers by private and public sectors and civil society (EIP service provider is a partner of choice for national stakeholders)</li> <li>- Number of country, regional and global networking meetings on EIP (either organised by GEIPP itself or co-organised with parallel initiatives)</li> <li>- Knowledge management system (web-site, portal,.)</li> </ul>	<ul style="list-style-type: none"> <li>- Management system certification for EIP Services Providers (optional)</li> <li>- Programme evaluation (mid-term and final)</li> <li>- Proceedings of EIP networking meetings</li> <li>- Utilisation statistics from the KMS.</li> <li>- Biannual management reports on EIP Programme</li> <li>- Programme evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- Development of tools and aggregation of best practices is constrained by the project specific (pre) conditions in host countries of the EIP Programme</li> <li>- Impact of EIP Services Providers is constrained by perceptions of limited relevance compared to other national initiatives</li> <li>- Transfer, adaptation and replication of tools is constrained by the project specific (pre) conditions in host countries of the EIP Programme</li> </ul>
<b>Outputs</b>	<b>Output Indicators</b>		
<b>Output 3.1</b> Specific EIP tools developed	<ul style="list-style-type: none"> <li>- # of tools (applicable beyond the scope of an individual project), potentially translated in different languages</li> </ul>	<ul style="list-style-type: none"> <li>- EIP reports</li> <li>- Bi-annual programme reports</li> <li>Programme evaluation (mid-term and final)</li> </ul>	<ul style="list-style-type: none"> <li>- Development of tools and aggregation of best practices is constrained by the project specific (pre) conditions in host countries of the EIP Programme</li> </ul>
<b>Output 3.2</b> EIP services delivery capacity strengthened	<ul style="list-style-type: none"> <li>- # of trained service providers</li> </ul>	<ul style="list-style-type: none"> <li>- EIP reports</li> <li>- Bi-annual programme reports</li> <li>Programme evaluation (mid-term and final)</li> </ul>	<ul style="list-style-type: none"> <li>- Impact of EIP Services Providers is constrained by perceptions of limited relevance compared to other national initiatives</li> </ul>
<b>Output 3.3</b> Lessons learnt from EIP activities properly captured and effectively exchanged	<ul style="list-style-type: none"> <li>- # of publications (technical reports, policy briefs, etc.)</li> <li>- # of network meetings</li> </ul>	<ul style="list-style-type: none"> <li>- EIP reports</li> <li>- Bi-annual programme reports</li> <li>Programme evaluation (mid-term and final)</li> </ul>	<ul style="list-style-type: none"> <li>- Transfer, adaptation and replication of tools is constrained by the project specific (pre) conditions in host countries of the EIP Programme</li> </ul>
<b>Output 3.4</b> Activities to raise EIP awareness developed	<ul style="list-style-type: none"> <li>- # of tools (applicable beyond the scope of an individual project), potentially translated in different languages</li> </ul>	<ul style="list-style-type: none"> <li>- EIP reports</li> <li>- Bi-annual programme</li> <li>Programme evaluation (mid-term and final)</li> </ul>	

## **Annex II: Summary of country assessments (EIP development)**

**Country: Colombia**

Dimension	Country situation - Assessment
<p><b>Political commitment to Eco-Industrial Parks development</b></p>	<p>The Ministry of Commerce, Industry and Tourism (MCIT) is responsible for coordinating the Entrepreneurial Development Policy, which focuses on industrial competitiveness and aims at removing barriers to business development in the country. The concept of eco-industrial parks is not yet part of the strategies or tools related to that particular policy. Additionally, for the strengthening of private sector development in general and micro, small and medium companies in particular, MCIT set-up a public-private partnership called Productive Transformation Program. The stakeholders that participate in this program include the national government and technology parks with the objective to strengthening the innovation of the micro, small and medium companies.</p>
<p><b>Institutional set-up for EIP</b></p>	<p>The institutional framework at the central level consists of the governing body, the Planning Department (DNP) under the National Planning Administrative Sector, which is responsible for the drafting of national policies related to industrial park development. A few other entities are part of this Department, within which none are directly related to EIPs.</p> <p>Ministries that have direct involvement are: the Ministry of Commerce, Industry and Tourism (MCIT) and the Ministry of Environment and Sustainable Development (MADS). Additionally, the National Tax and Customs Office have authority over the free zone regime in tax and customs issues.</p> <p>Regarding environmental regulations and enforcement, the Regional Autonomous Corporations is the judiciary body, which acts as the environmental authority without the MADS hierarchical subordination to decide on sanctions of non-compliance of environmental obligations by all types of business and industry.</p>
<p><b>Potential target Industrial parks</b></p>	<p><u>Upscaling of targeted industrial parks under Pilot Phase:</u></p> <p>(i) Parque Industrial Malambo (PIMSA): The industrial park consists of a geographical area of 250 Hectares located in Malambo, south of Barranquilla, next to the Magdalena river. The industrial park is characterized by the location of industrial and logistic companies. A number of companies located in PIMSA are freight generators that use Puerto PIMSA, located at Km 38 upstream of Bocas de Ceniza in the Magdalena River. Industrial sectors and industries operating in PIMSA include: Steel fabrication; Food and beverages production; Automobile parts; Furniture production; Special chemicals production.</p> <p>(ii) Ciudadela Industrial Sabaneta: is located in the urban area of Sabaneta, a municipality that is part of the Metropolitan Area of the Aburra Valley, of which Medellin is the largest of 10 contiguous municipalities. All of the utilities are provided by the local utility: Empresas Publicas de Medellin. Each company has their own</p>

	<p>commercial contract for utilities based on their requirements and size.</p> <p>(iii) The Eco-efficient Industrial Park of Graphic Arts (PIEAG): is located in an urban area, in the eastern part of the locality named “Los Martires”, in Bogota. Area characterized for the presence of industries, commerce, automobile workshops and ironmongery and is known for having one of the largest market places in the city and justice sector offices. The total surface area amounts to 0.4 ha. There are 88 establishments: 65 graphic art companies, 12 dining establishments, the rest is used as a storage facility and business premises.</p> <p>(iv) The Eco-Efficient Industrial Park of San Benito: is the most important industrial area for the leather production of Bogotá. The industrial park is an initiative proposed by mayors of the Capital District to solve the environmental, economic, social and cultural problems caused by the leather industry located in the San Benito neighbourhood. The San Benito neighbourhood is located southwest of the city of Bogotá, in Tunjuelito, sixth locality of the Capital District. There are 78 companies with tannery as main industrial sector.</p>
<b>Governance of potential target industrial parks</b>	<p>(i) Parque Industrial Malambo: the park management PIMSA is one of the first industrial parks in Colombia authorized by the Ministry of Economic Development. PIMSA S.A. acts as real estate developer as well as park manager.</p> <p>(ii) Ciudadela Industrial Sabaneta: the park management only provides non-utility services like security and basic maintenance of common areas (roads, sidewalks, gardens).</p> <p>(iii) The Eco-efficient Industrial Park of Graphic Arts (PIEGA): consists of a condominium administration having administrative rules. Each establishment has its own business and commercial organization. The PIEAG Administration serves as the Condominium security and management of joint services.</p> <p>(iv) The Eco-Efficient Industrial Park of San Benito: in 2007, the Limited Company having privileged shares was established as the administrative figure of the industrial park. The purpose of the company is to ensure the admission of an unlimited number of partners that can actively participate in decision making and auditing of operative and accountant information.</p>
<b>Opportunities for collaboration</b>	<p>Institutional Cooperation Partners: Universidad de los Andes; Industry Association; Park Management Entities</p> <p>Potential Execution Partners: Ministry of Commerce, Industry and Tourism (MCIT) and the Ministry of Environment and Sustainable Development (MADS); Centro Nacional de Producción más Limpia</p>
<b>UNIDO presence and capacity in the country</b>	<p>UNIDO has a regional office in Bogota and a local office in Calli. UNIDO has a significant capacity to implement projects in the country.</p>

Country: Peru

Dimension	Country situation - Assessment
<p><b>Political commitment to Eco-Industrial Parks development</b></p>	<ul style="list-style-type: none"> <li>• Peru has demonstrated a growing commitment to develop Sustainable Industrial Parks and recently the legislative framework has been updated.</li> <li>• The new legislation (Law PITE-30078, Decree 1199 and 013-2015) foresees, among others, the establishment of a national commission for Industrial Parks which is expected to facilitate inter-ministerial coordination and the development of a National Industrial Parks System.</li> <li>• One of the four priorities of the on-going 5 year UNIDO Programme for Country Partnership (PCP) – Peru, is to support the Ministry of Production (PRODUCE) in defining and implementing the national strategy for sustainable/eco-industrial parks and zones.</li> <li>• The strategy for sustainable industrial park is an essential part of the national industrial competitiveness policy that is currently being developed with the support of UNIDO.</li> </ul>
<p><b>Institutional set-up for EIP</b></p>	<ul style="list-style-type: none"> <li>• In 2015, PRODUCE has initiated the National Programme for Productive Diversification (NPPD) that is responsible for industrial parks development.</li> <li>• Within the Ministry of Environment, the Vice-Ministry of Environmental Management has the mandate on waste management as indicated in law 27314 General Law for Solid Waste to work with industry on fostering eco-industrial parks and zones.</li> </ul>
<p><b>Potential target Industrial parks</b></p>	<ul style="list-style-type: none"> <li>• The project could target the following industrial parks/areas: Callao Industrial Park, Villa El Salvador Industrial Park, Trujillo Industrial park, Tacna and Piura EEZ. Sector 62, industrial park, La Chutana eco industrial park.</li> </ul>
<p><b>Governance of potential target industrial parks</b></p>	<ul style="list-style-type: none"> <li>• Governance in industrial parks is weak; most of them are managed by offices linked to Regional Governments. Strategic planning and parks operations need to be improved. Currently, most activities the park management entities focus on are land ownership conflict resolution and the supply of basic services.</li> </ul>
<p><b>Opportunities for collaboration</b></p>	<ul style="list-style-type: none"> <li>• With the PCP Peru, UNIDO's is already providing technical assistance to develop and implement the roadmap for Sustainable Industrial Parks and to support the activities of the NPPD.</li> <li>• Support scaling up the implementation of RECP and industrial symbiosis in Industrial Parks is required, to foster sustainable industrial development in the country.</li> </ul>
<p><b>UNIDO presence and capacity in the country</b></p>	<ul style="list-style-type: none"> <li>• UNIDO has established a PCP coordination office in PRODUCE. The four pillars of the PCP-Peru are: (i) quality and innovation, (ii) capacity development for value chain and enterprise development, (iii) sustainable industrial parks and (iv) industrial resource and energy efficiency, including renewable energy.</li> <li>• In cooperation with the NCPC, UNIDO has already implemented a project for promoting Eco Industrial parks in Peru.</li> </ul>

	<ul style="list-style-type: none"><li>• A GEF project aimed to enhance the regulatory mechanisms for sustainable industrial zone development and increase the adoption of technologies to reduce u-POPs and GHG is in its final stage of approval and expected to start in March 2018. Additional activities that UNIDO is implementing in close cooperation with the NCPC Peru relate to Sound management of chemicals and chemicals waste and low carbon production</li></ul>
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**Country: Ukraine**

<b>Dimension</b>	<b>Country situation - Assessment</b>
<b>Political commitment to Eco-Industrial Parks development</b>	<ul style="list-style-type: none"> <li>• Ukraine has demonstrated high political commitment for development of Eco-industrial Parks and the legislative framework is being updated.</li> <li>• The Law on Industrial Parks (from June 21, 2012 of No. 5018-VI) regulates establishment, operation and liquidation of the industrial parks, taking into account such aspects as fields, natural resources, houses and factories by the participants to be able to perform.</li> <li>• Ukraine signed and adopted the Batumi Initiative on Green Economy (BIG-E). The Ministry of Economic Development and Trade of Ukraine develops a Roadmap of the development of an eco-industrial parks model in accordance with the principles of the circular economy and resource-efficient production.</li> <li>• Development of an Eco-Industrial Parks (EIP) and transformation of the existing Industrial Parks (IPs) in accordance with the principles of the circular economy and resource-efficient production will be done via adaptation of the Ukrainian basis to the European model.</li> </ul>
<b>Institutional set-up for EIP</b>	<ul style="list-style-type: none"> <li>• State Regional Development Strategy 2020 (Statement № 385 issued August, 6<sup>th</sup>, 2014) determines a regional network of Industrial Parks (IP) and provides state support to entities that focus on establishment of IPs in compliance with a regional development strategy.</li> <li>• Within the Ministry of Economic Development and Trade of Ukraine in the Department for Attracting Investments, there is a special unit in charge of Industrial Parks in Ukraine.</li> </ul>
<b>Potential target Industrial parks</b>	<ul style="list-style-type: none"> <li>• The project could target following industrial parks/zones: Zaporizhzhia Industrial zone, Zaporizhkran, Berdiansk (Zaporizhzhia region), Kryvbas, Pavlograd (Dnipropetrovsk region), Solomonovo (Zakarpattia region), Shostka, Trostianets (Sumy region), Riasne-2 (Lviv region), Kremenchuk (Poltava region), Dolyna (Ivano-Frankivsk region).</li> <li>• Also project could target few Industrial Parks, which are under development, such as Industrial Park “Bila Tserkva 1” (Kyiv region) and Korosten Industrial Park (Zhytomyr region).</li> </ul>
<b>Governance of potential target industrial parks</b>	<ul style="list-style-type: none"> <li>• Potential target industrial parks are currently managed either by Municipal Public Utility Companies or by private managerial companies, in most cases without strategic planning and without creating synergies between companies. The park management entities deal mostly with legal issues related to land ownership and supply of basic services.</li> <li>• The key issue is a lack of planning, including strategic vision aimed to minimize negative impact of industry and economic justification of resources required, especially human resources (workers, engineers, professionals, experts).</li> </ul>
<b>Opportunities for collaboration</b>	<ul style="list-style-type: none"> <li>• UNIDO is already providing technical assistance to Ukrainian industry through establishment and functioning of the RECP Centre.</li> <li>• The Centre has established strong cooperation with the Industrial Park “Bila Tserkva 1” and Korosten Industrial Park, which are currently growing and has signed the MoUs with them.</li> <li>• The RECP Centre has contacts with the companies within big industrial zones (brownfields), namely Zaporizhzhia Industrial zone around the “Ukrgrafit” company, “Vognetryv” company and Ferro Alloy Plant, which participated in the UNIDO RECP project.</li> </ul>

<p><b>UNIDO presence and capacity in the country</b></p>	<ul style="list-style-type: none"> <li>• The Regional Division – Europe and Central Asia at HQ of UNIDO in Vienna provides field coverage for Ukraine. In addition, the Ministry of Economic Development and Trade of Ukraine host a UNIDO National Focal Point.</li> <li>• UNIDO is currently implementing five ongoing technical cooperation projects with a total budget of USD \$20,563,625.</li> <li>• The RECP Centre established with support of UNIDO and created strong relationship with Government authorities, donors, NGOs and other partners in the spheres of industrial development, energy efficiency, waste management and environmental protection in Ukraine and could be an implementing body for the project. The RECP Centre occupies the principle position on elimination gaps between Government authorities and business in terms of sustainable development. The RECP Centre is represented in 6 regions of Ukraine. RECP is a member of working expert groups in the State Agency of Energy Efficiency of Ukraine, the Ministry of Economic Development and Trade of Ukraine etc.</li> </ul>
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**Country: Vietnam**

<b>Dimension</b>	<b>Country situation - Assessment</b>
<b>Political commitment to Eco-Industrial Parks development</b>	<p>The key policies impacting the industrial zone development are:</p> <ul style="list-style-type: none"> <li>i. Decree No.29/2008/ND-CP<sup>7</sup> (Decree 29) from 14 March 2008 on industrial, export processing and economic zones,</li> <li>ii. Master plan for Industrial zones development in Viet Nam to the year 2015, vision to 2020 (Decision No.1107/QD-TTg from 21 August, 2006)</li> <li>iii. Other documents relating to industrial development, environmental protection and investment.</li> </ul> <p>The Government of Viet Nam has developed significant policies and legislation for industry and industrial zone (IZ) development in general. This includes various strategies, action plans, laws and numerous associated decrees, decisions, circulars and regulations, although none/only a few relate directly to eco-industrial zones (EIP).</p>
<b>Institutional set-up for EIP</b>	<p>The institutional framework for industrial zone development in Viet Nam involves the Prime Minister and the lead ministry is Ministry of Planning and Investment (MPI). The other related ministries are: Ministry of Industry and Trade (MOIT), Ministry of Science and Technology (MOST) and Ministry of Natural Resources and Environment (MONRE), Ministry of Finance (MOF), Ministry of Construction (MOC) etc.</p> <p>As such, the institutional framework with regard to management of industrial parks and zones consists of three main stakeholder groups: the sectoral ministries, the industrial zones management authorities and the companies including the infrastructure development company and the companies operating in the IZs.</p> <p>Under Viet Nam's decentralization policies, Provincial People's Committees (PPCs) play an important role in industrial park management. With the decentralized government, authorities are devolved to corresponding sectoral agencies under the overall supervision of the Provincial People's Committee.</p>
<b>Potential target Industrial parks</b>	<p><u>Upscaling of targeted industrial parks under Phase I:</u></p> <ul style="list-style-type: none"> <li>(i) Tra Noc Industrial Zone 1 and 2: located in the province of Can Tho. In total, 80 companies are operating in both parks with a total number of 24,736 employees.</li> <li>(ii) Hoa Khanh Industrial Zone: was established in 1996 by the Da</li> </ul>

<sup>7</sup> Decree 29 has been amended twice by (i) Decree No. 164/2013/ND-CP of November 12, 2013 amending and supplementing a number of articles of Decree 29 and and (ii) Decree No. 114/2015/ND-CP dated November 09, 2015, amending Article 21 of Decree 29.

	<p>Nang Administrative Committee and belongs to Lien Chieu District in Da Nang City. The total surface area amounts to 395.72 hectare leasing the land to a total of 168 operating companies in light industries, such as mechanic, assembling, food, seafood and forest products processing, construction material, and electronics.</p> <p>(iii) Phu Khanh Industrial Zone: is a multi-industry industrial park established in 2003 and is located in the eastern city of Ninh Binh, about 5 km from the center. The total area encompasses 3.5 million m<sup>2</sup> with a total of 25 companies actively operating.</p> <p><u>Potential target industrial parks:</u></p> <p>(iv) The Vietnam Singapore Industrial Park I (VSIP I)</p> <p>(v) Thang Long industrial park (TLIP) Corporation</p>
<p><b>Governance of potential target industrial parks</b></p>	<p>(i) Tra Noc Industrial Zone 1 and 2: are managed by Cantho Export Processing and Industrial Zones Authority - an agency is under observation of Can Tho People Committee in performing the state management directly to the industrial area in the city of Can Tho as stipulated in Decree No. 29/2008/ND-CP dated 14 March, 2008 of the Government regulations on industrial parks, export processing zones and economic zones and the legal provisions concerned; manage and organize the supply function of public administrative services and other support services related to investment activities and production business for investors in industrial zones in Can Tho city.</p> <p>(ii) Hoa Khanh Industrial Zone: is managed by the Da Nang Industrial Zones and Export Processing Authority, which is an administrative organization that belongs to the Da Nang People's Committee. The authority directly monitors the planning, investment, labour, security, environmental issues within industrial zones in Da Nang.</p> <p>(iii) Phu Khanh Industrial Zone: is managed by the Ninh Binh Industrial Zones Authority, which is an administrative organization that belongs to the Ninh Binh People's Committee. Phu Khanh IZ generally was established as an effort of Ninh Binh Province to ensure socio-economic development of the province in the direction of industrialization and modernization.</p>
<p><b>Opportunities for collaboration</b></p>	<p>Institutional Cooperation Partners: IFC, WWF and MPI</p> <p>Private Sector: Tommy Hilfiger and H&amp;M</p> <p>Potential Execution Partners: Vietnam National Cleaner Production Centre (VNCPC); Environmental Technology Center (ENTEC); Center for Sustainable Urban Development; Local Authority under the People's Committee</p>
<p><b>UNIDO presence and capacity in the country</b></p>	<p>UNIDO Country Office in Hanoi consists of the National Programme Officer Ms. Thao LE and the Administrative Assistant Ms. Van TRAN.</p>