

Programme for Country Partnership for the Republic of Peru

Towards Modern, Competitive and Inclusive Industry

Progress Report

1 January 2017 - 31 December 2017

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EXECUTIVE SUMMARY

This report highlights the main activities and key achievements of the Programme for Country Partnership for the Republic of Peru (PCP Peru) from January to December 2017.

The objective of this programme is to contribute to the development of modern, competitive and inclusive industry in Peru, aligned with the recommendations of the Organization for Economic Cooperation and Development (OECD), the 'Bicentennial Plan: Peru 2021' (Plan 2021) published by Peru's National Strategic Planning Centre (CEPLAN) and Sustainable Development Goal (SDG) 9. Pursuant to these strategies, the PCP Peru seeks to strengthen the productivity, competitiveness and innovation of the industrial sector and mobilise large scale investments through close collaboration with the Government, donors, development finance institutions and the business sector.

The second year of the PCP Peru centred on two fundamental aspects: formulating the five-year programme framework for the PCP and strengthening cooperation mechanisms. Based on extensive consultations with national and international partners, the PCP Peru Programme Document was developed for the implementation phase. In December 2017, the programme document was approved and 5 projects were selected with which to commence the Implementation Phase, in keeping with the priorities of the Ministry of Production (MoP).

The first meeting of the PCP National Advisory Board (NAB) was held, wherein the key stakeholders discussed the proposed functions of the NAB, as well as those of the Partner and Donor Working Group (PDWG), laying the foundations for the forthcoming validation meeting. Progress was made in strengthening technical cooperation with the Inter-American Development Bank (IaDB) in the area of quality and innovation, as well as with the development bank of Latin America (CAF) and World Bank (WB). In the next phase, the signing of a tripartite agreement between MoP, OECD and UNIDO is planned, so as to better align the PCP activities in support of Peru's accession to the OECD.

Additionally, upon request of the MoP, specific activities were carried out over the course of the year, to support the Ministry in achieving short term results, through UNIDO's technical assistance, policy advice and strategic guidance on matters related to the four PCP components: quality and innovation; value chain and enterprise development; sustainable industrial parks; and industrial resource and energy efficiency, and renewable energy.

In the quality and innovation component, UNIDO carried out a strategic assessment of 20 Innovation and Technology Centres (CITEs), which formed the basis for a new productive innovation strategy for the CITE network. Additionally, UNIDO designed a comprehensive programme to promote quality in the coffee and cocoa value chains. This initiative is part of a global programme that was approved by the Government of Switzerland in November 2017, with USD 2.5 million allocated to the activities in Peru. Implementation is expected to commence in early 2018, upon obtaining the final approval from the MoP.

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In the aquaculture sector, three studies¹ were carried out and regional workshops were held on the development and optimization of business models for aquaculture products and relevant standards and protocols for the development of the sector. These studies gave way to the development of an integrated project for the aquaculture value chain. The implementation of this project will be aligned with an on-going WB funded initiative and co-funding discussions commenced with CAF.

In the sustainable industrial parks component, a study was carried out to prioritize manufacturing sectors for the development of sustainable industrial parks (SIP) in Peru, which laid the foundations for a SIP road map. The objective of this road map is to identify and cultivate the necessary conditions for the development of sustainable industrial parks and zones in Peru. Additionally, the Sustainable Industrial Zones Development project (USD 4.2 million) was finalized and presented to the Global Environment Facility (GEF) in October 2017.

Moreover, in May 2017, UNIDO and the MoP hosted an international conference on sustainable industrial parks. The event looked into how SIPs emerge and develop in the Latin America and the Caribbean (LAC) region. Peru. Development finance institutions, including the International Finance Corporation (IFC), the Peruvian development bank, COFIDE, and the IDB – and private companies represented by the National Association of Industries (SNI) shared their views on financing opportunities and financial mechanisms for SIPs.

In the industrial resource and energy efficiency, and renewable energy component funds were confirmed from the Government of Spain (EUR 100,000) to carry out a study to integrate energy and environment dimensions into the other components of the PCP and to organize awareness-raising workshops on these themes, tentatively planned for April 2018.

Over the course of the year, the MoP and UNIDO came to the agreement that the PCP activities and project proposals should be constrained within a broader policy framework, in order to gear them towards clearly defined national industrial development objectives. UNIDO will henceforth provide strategic guidance to the MoP for the formulation of a national industrial policy.

All the activities carried out under the PCP, including the promotion of partnerships with government institutions, the private sector, and international financial institutions, were implemented in close cooperation between the MoP and UNIDO.

¹ These studies - "Un Diagnostico de la Cadena de Valor Acuicola Amazónica en Perú", "Modelos de Negocios en Acuicultura Amazónica" and "Normas y Protocolos para Acuicultura en la Amazonia Peruana" - are available at: <https://isid.unido.org/peru.html#documents>

INTRODUCTION

This report highlights the main activities and key achievements of the Programme for Country Partnership for the Republic of Peru (PCP Peru) for the period of January to December 2017.

The PCP is UNIDO's multi-stakeholder partnership model aimed at advancing inclusive and sustainable industrial development (ISID) in Member States. Aligned with the national development agenda and focused on key sectors with growth potential, the programme supports a country in achieving its industrial development goals.

Launched in 2015, the PCP Peru is helping to mobilize partners and resources to implement large-scale projects that contribute to the development of a modern, competitive and inclusive industry and support the country's accession to the Organisation for Economic Co-operation and Development (OECD).

The PCP Peru comprises three sequential phases. The first being the identification phase, which was carried out between December 2015 and September 2016 and encompassed the definition of the objectives, components and key partners for the PCP Peru. The second phase, the inception phase, focused on the development of the five-year programme and the projects that will be undertaken in the implementation phase. The inception phase was concluded in December 2017, with the approval of the programme document by UNIDO, having already received the approval from the MoP together with a selection of 5 priority projects with which to commence the implementation phase in January 2018. The next phase will consist of the implementation of the PCP projects and the strengthening of cooperation mechanisms, through the operationalization of the NAB and the PDWG, the establishment of a project management and monitoring office and the joint mobilization of resources to increase the impact of the PCP.

The four components of the PCP Peru, as defined during the identification phase, reflect the objectives of ISID, the SDGs and the national priorities for 2016 to 2021:

Component 1: Quality and innovation

Component 2: Value chain and enterprise Development

Component 3: Sustainable industrial parks

Component 4: Industrial resource and energy efficiency and renewable Energy

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The following segments outline the technical assistance activities carried out within the framework of the four components, between 1 January and 31 December 2017, as well as the advances made in building strategic partnerships and mobilizing resources.

TECHNICAL ASSISTANCE & CAPACITY BUILDING

QUALITY AND INNOVATION

The objective of the quality and innovation component is to increase the supply and demand for quality services in productive activities and promote innovation in the Peru's industry, through capacity building, policy advice and pilot demonstration projects. In addition to addressing innovation and quality individually, this component will provide substantive technical support to the network of CITEs in order to develop an integrated inclusive and sustainable model for CITEs.

In February 2017, upon request from the MoP, UNIDO carried out an independent assessment of twenty newly-established CITEs², in order to measure the demand for innovation services in the respective CITE's region, the individual centres' capacity to respond to demands, and the overall performance of the CITE network. The study helped the Government of Peru to mobilize a USD 40 million loan for CITE development from the laDB, as part of a broader USD 100 million laDB public investment programme for productive innovation in Peru. Furthermore, the recommendations in this study will serve as inputs for the development of an inclusive and sustainable CITE model.

In the area of quality, The National Institute for Quality (INACAL) and UNIDO developed a proposal for a road map to promote a quality culture in Peru. Additionally, a comprehensive project was developed to boost the quality of the coffee and cocoa value chains (within the framework of a global quality programme), to be financed by the Swiss Cooperation (SECO). It is widely recognized that these sectors hold a significant export potential for Peru in regional and global markets, but that they could increase their sustainability and the competitiveness of their exports through compliance with international quality standards.

In November 2017, the global programme was approved by the Government of Switzerland, which will contribute approximately USD 2.5 million to finance the activities in Peru.

² The full report can be accessed from: <https://isid.unido.org/peru.html>

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VALUE CHAIN AND ENTERPRISE DEVELOPMENT

Activities under this component primarily centred on fostering integrated value chain development in Peru's aquaculture sector, in accordance with the priorities set by the MoP.

In 2017, three baseline studies were carried out in cooperation with the MoP to determine the main bottlenecks and key development opportunities for the Peruvian aquaculture value chain. Business models were developed for aquaculture production of tilapia and three Amazonian species - paiche, gamitana and paco - in the Peruvian Amazon, to examine the economic efficiency and feasibility of aquaculture production in the regions San Martín and Loreto and to identify weaknesses and opportunities in the production of the different species.

Furthermore, relevant standards and protocols for the development of the aquaculture sector in the Peruvian Amazon were analyzed, with a view to identifying barriers to compliance and ensuring better market access by promoting the standardization of the aquaculture products evaluated. Lastly, a value chain diagnostic was carried out to highlight the opportunities and challenges faced by the different actors along the aquaculture value chain.

To collect data for the analyses, farmers and other key actors were interviewed and strategies for the development of the value chain were discussed. Furthermore, meetings were held with regional government stakeholders to present the draft results of the reports and receive feedback. Finally, a fully-fledged project document for "Promoting integrated value chain development in Peru's aquaculture" was developed. The proposed outputs and activities of the project were formulated in close cooperation with the Vice Ministry of Fisheries and Aquaculture of the MoP and WB. The implementation of this project will be aligned with an ongoing WB funded initiative and co-funding is being discussed with CAF and potential Chinese partners.

In the area of entrepreneurship, a proposal is being developed in cooperation with the Ministry of Education (MINEDU) for an Entrepreneurship Curriculum Programme (ECP). This initiative aims to promote entrepreneurship in education, backed by a strong partnership with the productive sector, with a view to fostering a spirit of entrepreneurship in Peru and driving innovation in the industrial sector.

In June 2017, UNIDO developed a strategy for introducing entrepreneurship education in secondary schools, as a working base for further development of a project. Over a period of four years, the project would develop the thematic plan for entrepreneurship, along with a syllabus and teaching materials, to be piloted in 200 schools in four regions, tentatively Amazonas, San Martín, Cusco and Lima. The Ministry, through a National Technical Working Group, will be able to manage the continuation of the curriculum transformation program and have the capacity to monitor, evaluate and revise the policy to improve the educational curriculum. Potential links with the innovation, digitalization and formalization agenda of the MoP and collaboration opportunities were identified. A project concept was prepared on this basis, and MINEDU has requested a follow up mission to prepare a full project document.

SUSTAINABLE INDUSTRIAL PARKS

To support the Government's strategy on industrial park development, the PCP for Peru will focus on the establishment of new industrial parks, on the one hand and, on the other, the transformation of existing industrial zones through the integration of sustainable development criteria in their planning, management and operational processes.

Upon request of the MoP, UNIDO carried out a study to identify priority manufacturing sectors for the development of sustainable industrial parks. In this study, industrial sectors in Peru were prioritised based on economic, technical, environmental and social criteria, to support the development of new industrial parks and provide technical assistance to existing industrial zones where the priority sectors are most relevant.

This study laid the foundations for a proposed road map to develop a National Strategy on Sustainable Industrial Parks (SIP). The methodology outlined in this proposal consists of three phases, which include: defining the objective of the National Strategy, compiling and analysing existing policies and initiatives through interviews with national and regional stakeholders, and finally defining roles and activities for the key stakeholders. Going forward, UNIDO will provide technical assistance for the implementation of the roadmap, to support the development of the National Strategy. Additionally, UNIDO will continue supporting the National Program for Productive Diversification (MoP's specialised unit responsible for the development of industrial parks), through targeted technical assistance and strategic advice.

Additionally, the MoP and UNIDO finalised the fully-fledged project document for "Sustainable Industrial Zones Development in Peru" project. The objective of this project is to enhance regulatory mechanisms for SIZ development and increased adoption and diffusion of clean technologies and practices, to reduce unintentional POPs, greenhouse gases, air pollutants and improve sound chemicals management in Peruvian industrial zones. UNIDO will provide policy advice and technical assistance to support the transition of existing industrial zones towards sustainable industrial zones, commencing with the industrial zone of Callao. This project will be financed by the Global Environment Facility with a grant of USD 4.1 million and co-funding of USD 44 million from national and international 25 partners, including DFIs.

Moreover, in May 2017, UNIDO and the MoP hosted an international conference on sustainable industrial parks. The event looked into how SIPs emerge and develop in the Latin America and the Caribbean (LAC) region, analysing opportunities and barriers for their development in Peru. Development finance institutions, including the International Finance Corporation (IFC), the Peruvian development bank, COFIDE, and the IDB – and private companies represented by the National Association of Industries (SNI) shared their views on financing opportunities and financial mechanisms for SIPs.

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INDUSTRIAL RESOURCE AND ENERGY EFFICIENCY AND RENEWABLE ENERGY

This component is aimed at improving environmental and energy management in relevant industrial sectors, as defined by the MoP, through the development of projects centred on sustainable energy, resource efficient and cleaner production (RECP), the sound management of industrial chemicals and the use of environmentally sound technologies.

In 2017, UNIDO began the consultation process with a technical visit to assess the level of knowledge on energy and environment issues of MoP officials, inter-institutional relations (namely between the MoP and the Ministry of Energy and Mines) and the main challenges for obtaining commitment from domestic counterparts.

In this period, UNIDO formulated and mobilized funding for the "Mainstreaming of energy and environmental dimension in the PCP Peru" initiative. This output primarily consists of a study on the cross-cutting dimensions of the PCP Peru, focusing on sustainable energy and resource efficiency aspects. This analysis will enable policymakers in Peru to make informed decisions on activities to be undertaken in the Implementation Phase, and support the integration of energy and environment dimensions in each of the PCP projects.

Additionally, UNIDO laid the groundwork for a series of events on energy and environment, to take place in 2018. An International workshop on conformity assessment for energy management systems will be co-hosted with the US department of Energy and MoP, with funding from the Asia-Pacific Economic Cooperation (APEC). Additionally, UNIDO and MoP will carry out a national awareness raising seminar on industrial energy efficiency.

Within the framework of the Partnership for Action on Green Economy (PAGE), UNIDO held three Green Industry Forums - the first in Lima, the second in Arequipa and the third in Trujillo - under the banner "Business opportunities for green SMEs based on the use of industrial waste". The three objectives set for these forums were to: (i) Explore the potential of establishing new SMEs based on the use of industrial waste; (ii) Promote the establishment of new SME models that add value to diverse production chains; and (iii) Identify the challenges and incentives for the establishment of new green SMEs. The information shared in these forums by decision-making bodies revealed the benefits of green industry and circular economy models, as well as the latent potential for their application in Peru.

The PAGE Steering Committee developed a work plan for 2017/2018, which includes strategic advisory services from UNIDO to the MoP on green industry policy, using the "Practitioner's Guide to Green Industrial Policy". Moreover, the Steering Committee approved the necessary funding for this initiative.

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GENDER AND WOMEN'S EMPOWERMENT

In the Implementation Phase of the PCP, gender will be mainstreamed across each of the programme components. The impact of PCP activities on the inclusion and empowerment of women will be measured through gender-sensitive indicators.

Additionally, a project proposal on "The Economic Empowerment of Women in Green Industry" is under development, as part of a global programme. The objective of this programme is to strengthen the regulatory framework by integrating gender in green industry policies, with a view to encouraging more women to take a leadership role as entrepreneurs or professionals in the productive sector.

As a preliminary step, a workshop on "Women in Green Industry" was held in May 2017 with the aim of generating a platform for discussion on policies around gender and green industry. The workshop was attended by approximately 40 pre-identified national actors, who analysed good practices and possible barriers to the integration of gender-sensitive measures in green industrial policies in Peru. Following the workshop, an analysis of the political situation, with respect to gender and green industry policies was carried out. The inputs of this document, in turn, were incorporated into the global programme document and Peru was confirmed as one of the pilot countries for the global programme. Negotiations have now begun with potential donors on the financing of the programme.

INDUSTRIAL POLICY DEVELOPMENT

Following extensive consultations on specific PCP activities and the general implementation strategy for the programme, it became evident that an overarching framework was needed at the national level, to provide a strategic reference for the PCP based on national industrial development objectives. On this basis, UNIDO will henceforth provide strategic guidance to the MoP for the formulation of a national industrial policy. Following initial consultations with the MoP, UNIDO prepared a proposal for a workshop on evidence-based policy making, as the first step in this process.

The activities under PAGE, wherein UNIDO is supporting the MoP in the development of a green industrial policy, and the "Women in the Green Industry" project will serve as inputs for the development of a national industrial policy. Therefore, data collection, analysis and recommendations will be carried out in close cooperation with the policy department and the economic studies department of the MoP.

COORDINATION MECHANISMS

Following extensive consultations with national and international partners, the PCP Peru Programme Document was developed, encompassing a potential portfolio of USD 55 Million of technical assistance and USD 880 million of potential investment. The proposal includes 14 technical assistance projects, along with a key component on programme coordination, monitoring and evaluation, and partnerships development. In May 2017, a meeting was held with the relevant departments of the MoP, whereupon the project proposals were presented for the revision and validation of the MoP. The feedback received was incorporated into the programme document, the logical framework and the monitoring and evaluation (M&E) framework.

The M&E framework of the PCP Peru was developed in cooperation with CEPLAN, to ensure its alignment with the strategic objectives outlined in Plan 2021. The M&E framework was built on three axes of the 2021 Plan: Axis 4: Diversified Economy, competitiveness and employment; Axis 5: Territorial development and productive infrastructure and Axis 6: Environment, biodiversity and disaster risk management.

Moreover, reflecting the importance given in the Plan 2021 to the Peruvian Government's goal of joining the OECD, efforts were made to incorporate the OECD's recommendations into the design of the PCP projects. Thus, it is expected that the PCP Peru will be more than the sum of its parts and will serve as a tool to help Peru on its way to become a full member of the OECD.

The programme document was approved by the MoP in November 2017 and subsequently by the Executive Board of UNIDO in December 2017, giving way to the commencement of the implementation phase in January 2018.

NATIONAL ADVISORY BOARD

The National Advisory Board (NAB) comprises high-level representatives from public and private institutions engaged in the promotion and implementation of industrial development initiatives. The main role of the NAB is to assess and approve strategic objectives and guidelines for the PCP. Chaired by the MoP, the NAB ensures that national policies and growth targets are embedded into the PCP, and that programme activities contribute to the implementation of the national industrial development agenda.

The effective operation of the NAB is therefore contingent on full government ownership. Challenges and delays caused by political and institutional changes in 2017 were eventually overcome; however, the MoP and UNIDO came to the agreement that a formal status would have to be established for the NAB, in order to ensure its continuity.

In June 2017, UNIDO and the MoP drafted rules of procedure for the NAB and invited the member institutions to participate in the first official meeting, under the leadership of the Vice

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Minister of SMEs and Industry at the MoP. The roles and responsibilities of the NAB were then presented to the members and the rules of procedure were approved fifteen days later, as suggested by the Vice Minister of the MoP. To ensure the commitment of the members going forward, the MoP and UNIDO will define an appropriate legal status for the NAB and request an official designation of representatives from each of the member institutions.

PARTNER AND DONOR WORKING GROUP

In parallel with the preparatory work for the NAB, UNIDO drafted the rules of procedure for the PDWG. The PDWG is the main focal point for coordination and cooperation with national and international institutions for the identification and mobilisation of resources (financial and non-financial) for PCP projects and the productive development of Peru on the whole. In order to define the exact role of the PDWG, a series of meetings were held with the Ministries of Economy and Finance and Foreign Affairs, who contributed their knowledge and experience in the mobilization of international financial resources. In June 2017, a preparatory meeting for the launch of the GTSD was held, wherein the leadership, commitment and motivation of the PDWG Government representatives was confirmed.

PARTNERSHIPS AND RESOURCE MOBILIZATION

DEVELOPMENT FINANCE INSTITUTIONS

In light of extensive stakeholder dialogue during the identification phase of the PCP Peru, 2017 gave rise to a number of technical cooperation ventures between the PCP team and diverse development finance institutions (DFIs) in Peru.

Both the IDB and CAF collaborated in the assessment of the CITE Network, with a series of meetings held between the technical teams of the IDB and UNIDO to share findings, assess the needs of the CITE network and propose the next steps in delivering technical assistance to these centres. Similarly, the IDB shared experiences from their quality projects in Peru, in support of UNIDO's work with INACAL.

Additionally, regular working meetings have been held with the World Bank in Peru with respect to the projects they are currently funding. At the end of 2016, UNIDO and the World Bank signed an agreement to facilitate the provision of UNIDO's expertise to governments implementing World Bank-financed investment projects. In 2017 Peru was selected as a pilot country for the implementation of this mechanism. Accordingly, meetings related to aquaculture and innovation projects for the CITE network were held throughout the year to explore potential forms of inter-institutional cooperation.

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The IFC and the National Development bank of Peru (COFIDE) in turn, participated in an International Conference on Sustainable Industrial Parks, which took in May 2018, sharing their experiences in developing financial mechanisms for SIPs. Ongoing discussions are being held with COFIDE to explore potential funding streams for the “Sustainable Industrial Zones Development in Peru” project.

Due to their extensive experience in financing development projects in Peru, these institutions were formally invited to participate in the PDWG.

DONOR COUNTRIES AND INTERGOVERNMENTAL ORGANIZATIONS

Regular bilateral meetings were held with a number of government cooperation agencies in Peru, such as Austria, China, European Union, Germany, South Korea, Spain and Switzerland. These meetings gave rise to project proposals and cooperation commitments and a number of these countries were formally invited to join the PDWG, in order to identify synergies and coordinate interventions for the inclusive and sustainable industrial development of Peru.

An information session was held for donor countries in Vienna on UNIDO’s PCP model. UNIDO highlighted the leadership role of the Government, the active participation of partners and donors from the design of the programme to its implementation and the role of UNIDO as strategic and technical adviser to the Government. The objectives, components and project proposals were presented, in addition to the short and long term benefits of the PCP model.

Throughout the year, ties were strengthened with other United Nations organizations, in diverse areas of cooperation. Meetings were held with the United Nations Food and Agriculture Organization (FAO) on potential areas of technical cooperation in the aquaculture sector and in the production and commercialization of biodiversity products. The activities carried out in the field of green industry, under the PAGE framework, constitute joint work between the Government of Peru, UNIDO and four additional UN agencies: United Nations Environment Programme (UNEP), the United Nations Development Program (UNDP), the International Labor Organization (ILO), and the United Nations Institute for Training and Research (UNITAR).

In November 2017, on the occasion of the seventeenth session of the General Conference of UNIDO, strategic planning sessions were held with the Vice Minister of the MoP, in which the MoP and UNIDO agreed to strengthen cooperation with the OECD in 2018. To materialize this objective, it was agreed to sign a tripartite agreement between the MoP, OECD and UNIDO, thereby aligning the activities of the PCP in support of Peru’s accession to the OECD.

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FUNDS MOBILISATION 2017 - 2018

Projects under Development and Expected Funding:

Project	Donor	Funds secured in 2017 (USD)	Funds expected in 2018 (USD)
Technical assistance project for quality compliance in coffee and cocoa value chains	SECO	2,511,990	
Institutional capacity building and technical assistance for mainstreaming energy and environment in policies	Government of Spain	120,000*	
Implementation of the GEF-funded project on Sustainable Industrial Zones Development	GEF		4,114,000
Integrated value chain development in Peru's aquaculture sector	SSCAF		2,080,000
Co-funding for the National Strategy on Industrial Parks Development in Peru	TBD		275,000

* EUR 100,000

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EXPENDITURE

As a result of the advancements made, and the effective cooperation between UNIDO and the MoP, UNIDO approved an additional financial contribution to the programme in the amount of EUR 150,000. These funds will be used to finance coordination activities, partnership mobilization and gender mainstreaming activities, to ensure that the program continues to be participatory and inclusive. In 2017, total co-financing from UNIDO is estimated at EUR 251,427.

The following expenditure report refers only to the funds allocated to the Partnership Trust Fund for the PCP Peru, for the period comprising 1 January to 31 December 2017.

1 JANUARY - 31 OF DECEMBER 2017

Dates	Component / Activity	Amount (EUR)
PCP Coordination and Partnerships Mobilisation		
Jan 2017	Missions: Presentation of work plan and preparation for NAB and PDWG meetings	7,725
May 2017	Mission: First meeting of NAB and preparatory meeting of PDWG. International Conference on SIP	2,596
Jul 2017	Mission: Preparation for PCP Midterm Evaluation (Cancelled, to be reimbursed in 2018)	3,796
Nov 2017	Mission: PCP Coordination	3,602
Nov 2017	Mission: Participation in UNIDO General Conference	6,159
Jan - Dec 2017	National PCP Coordinator	51,707
Jan - Dec 2017	HQ PCP Coordinator	33,251
Jan - Apr 2017	International Partnerships Expert	21,901
Apr - Jul 2017	Programme Document development specialist	9,975
May - Jul 2017	National Partnerships Expert	9,655
Component I: Quality and Innovation		
Jan 2017	Participation in IDB Workshop on Innovation, policy and CITE	2,491
Jan 2017	Mission: Presentation and Review of work plan	6,511
Feb 2017	Mission: CITE assessment	5,052
Jan - Apr 2017	Local travel: Visit to CITE Ilo	629
Mar 2017	Mission: Presentation of CITE report	6,210

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Nov 2017	Mission: Discussion of project document with SECO	3,888
Feb - Mar 2017	CITE assessment final report	3,893
Jan - Apr 2017	Expert 1 for CITE assessment	7,473
Jan - Apr 2017	Expert 2 for CITE assessment	11,524
Jan - Apr 2017	Expert 3 for CITE assessment	11,327
Jan - Apr 2017	Expert 4 for CITE assessment	4,264
Component II: Value Chain and Enterprise Development		
Jan - Jul 2017	Expert on Aquaculture Business Models	15,725
Jan - Jul 2017	Expert for the Aquaculture value chain assessment	12,695
Feb - Mar 2017	Expert for the Aquaculture value chain assessment	20,058
Feb - Mar 2017	Expert for the Aquaculture value chain assessment	3,939
Feb - Mar 2017	Expert for the Aquaculture value chain assessment	4,394
May - Jul 2017	Expert for the Aquaculture Road Show (contract ammended - to be reimbursed in 2018)	13,650
Apr 2017	Expert for ECP proposal	12,004
Jun - Ago 2017	Expert for the Aquaculture value chain assessment	7,376
Mar - Jul 2017	Printing of CITE final report	439
Jul 2017	Workshop: presentation of Aquaculture Business models and analysis of standards and protocols	480
Apr 2017	Mission: formulation of ECP proposal and validation of Women in Green Industry project	5,579
Jul 2017	Mission: Consultation on "Redes Productivas/Ruta Productiva"	5,562
Nov 2017	Mission: Discussions on Aquaculture project and biodiversity initiative	1,495
Component III: Sustainable Industrial Parks		
Dec 2017 - Feb 2018	Expert on Industrial Parks policies	15,693
Jan - Feb 2018	Mission: Base line assessment for SIP Road Map	6,018
Component IV: Industrial Resource and Energy Efficiency and Renewable Energy		
Jan 2017	Mission: Definition of energy and environment activities	4,732
Apr 2017	Mission: Preparation of energy and environment activities	5,917
	Expenditure 2017	349,385

* The expenses detailed in this table do not include co-financing from UNIDO

CONCLUSIONS

In 2017, the PCP programme document was successfully completed, based on the priorities outlined by the MoP. Delays in implementation, caused by institutional changes in leadership, were overcome in large part due to the appointment of the national coordinators, who are responsible for facilitating the coordination between the MoP and UNIDO. Notwithstanding, given the current state of affairs in Peru, a strong presence will be needed on the ground in order to ensure that there are no further delays in the execution of the programme once the Implementation phase commences.

The beginning of the PCP implementation phase entails that an increasing number of experts will be hired to facilitate coordination at the national level and to support the implementation of the individual PCP technical cooperation projects. To create and maintain a collaborative work environment, which maximises performance and builds on project synergies, a common office will be established for all personnel hired under the PCP Peru. This task, along with funds mobilization to ensure effective coordination and enable the development of new PCP initiatives, is of the utmost importance for the upcoming phase in order to guarantee the continuity of the PCP, regardless of any political and institutional changes that may occur over time.

In the first meeting of the NAB, the need to formalize its establishment and obtain an official designation of representatives from the member institutions emerged. The same holds true for the PDWG. Thus, the members of both the NAB and the PDWG will be invited to formalize this partnership through a written agreement in which they indicate their commitment to supporting the implementation of the PCP and facilitating funds mobilization for industrial development projects.

The mobilization of resources in a middle-income country, as is the case in Peru, remains a challenge. In this sense, funds mobilisation activities, based on the components and project proposals under the PCP must target the field of interest of key donors and development financial institutions. This will be the key function of the PDWG, and a fundamental element for the PCP to engender investments in the inclusive and sustainable industrial development of Peru.

Additionally, for the PCP Peru to achieve a broader scope at the national level, it is necessary to increase efforts to align the programme with the principles of the OECD. The OECD is considered a key platform for governments to identify best practices in the development of national policies; hence, Peru's accession is a major national objective. The MoP and UNIDO therefore intend to sign a tripartite agreement with the OECD, to further align the PCP with the recommendations of the OECD and support Peru in its accession process.

UPCOMING KEY ACTIVITIES FOR 2018

- Signing of cooperation agreement between the MoP, UNIDO and OECD.
- Operationalization of the National Advisory Board and Partner and Donor Working Group to support strategic coordination, funds and investment mobilization activities
- Finalization and initiation of the National Strategy for Sustainable Industrial Parks Development
- Organization of a national industrial parks forum, in close cooperation with DFIs
- Development of a national industrial policy and a green industry policy paper, latter within the framework of PAGE
- Launch of the national industrial policy “Strengthening the coffee and cocoa quality for exports from Peru” project
- National awareness-raising and training seminars on industrial energy efficiency and initiation of energy and environment PCP mainstreaming study
- Launch of the full-sized GEF project on Sustainable Industrial Zone Development
- Funds mobilization and launching of the “Integrated value chain development in Peru’s aquaculture sector” project
- Finalization of the project document for the Entrepreneurship Curriculum Project (ECP) and fund raising
- Funds mobilization and launching of the “Economic empowerment of women in green industry” project
- Organization of a regional conference on Circular Economy, co-organized by EU, the MoP, the Ministry of Environment and UNIDO, scheduled for September 2018
- Establishment of a PCP Coordination Office in the MoP to facilitate coordination and monitoring and evaluation