



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Peru**



Peru

Programme for Country Partnership

PCP Annual Report **2019**



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STATUS	<p>Programming phase: January 2016 – December 2017 Implementation phase: started January 2018 Expected completion date: December 2022</p>
MAIN NATIONAL POLICY/STRATEGY SUPPORTED BY THE PCP	<p>Plan Bicentenario: El Perú hacia el 2021 (Plan 2021) National Plan of Competitiveness and Productivity 2019-2030</p>
FOCUS SECTORS/AREAS	<ul style="list-style-type: none"> • Quality and innovation • Value chain and enterprise development • Sustainable industrial parks • Industrial resource and energy efficiency, and renewable energy
MAIN PARTICIPATING MINISTRIES	<p>Ministry of Production (Lead) Ministry of Environment Ministry of Foreign Affairs Ministry of Economy and Finance Ministry of International Trade and Tourism Ministry of Agriculture Ministry of Energy and Mining Ministry of Transport and Communications Ministry of Women and Vulnerable Populations National Council of Ministers</p>
KEY DEVELOPMENT PARTNERS	<p>Financial institutions: Development Bank of Latin America, International Financial Corporation/World Bank, Inter-American Development Bank, International Fund for Agricultural Development, National Development Bank of Peru.</p> <p>Bilateral/multilateral partners: China, European Union, Germany, Global Environment Facility, Organisation for Economic Co-operation and Development, Republic of Korea, Spain, Switzerland.</p> <p>UN entities: International Fund for Agricultural Development, United Nations Development Programme, United Nations Environment Programme, World Health Organization, United Nations Institute for Training and Research, UN WOMEN.</p> <p>Business sector: National Association of Industries, Chamber of Commerce of Lima, Peruvian Exporters Association.</p> <p>Other partners: Pontificia Universidad Católica del Perú, Universidad del Callao, regional governments.</p>



PCP PERU AT A GLANCE

UNIDO PROJECTS WITH FUNDING SECURED¹ (COMPLETED AND ONGOING)	Total number of projects: 9 Total funding excl. psc.: USD 8,452,300 (see Annex 1)
TOTAL INVESTMENTS LEVERAGED² (CUMULATIVE UNTIL 2019)	USD 84,648,993 ³ Public investments in sustainable industrial zones, industrial park development, circular economy and productive innovation (see Annex 2)
TOTAL PCP VOLUME⁴	USD 93,101,293

¹ **Funding secured:** The total budget (net of programme support costs) under signed agreements for UNIDO programmes and projects.

² **Funding leveraged:** Financial contributions allocated by public or private partners towards objectives pursued in a PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.

³ This amount includes estimated figures for 2019.

⁴ **Total PCP volume:** UNIDO's portfolio with funding secured plus investments leveraged.

1. EXECUTIVE SUMMARY

This summary highlights the main activities and key achievements of the Programme for Country Partnership (PCP) for Peru from January to December 2019. The PCP contributes to the development of modern, competitive and inclusive industry in Peru in line with the country's main development policy framework, the "Plan Bicentenario: El Perú hacia el 2021" (Plan 2021). The latter is a strategic plan, which aims to drive Peru towards an inclusive and sustainable development model. In the summer of 2019, the Government launched the new National Plan of Competitiveness and Productivity (PNCP) that incorporates two key initiatives started within the PCP Peru, namely the development of the National Strategy for Industrial Parks and the National Roadmap for Circular Economy. In 2020, the PCP will further align with the priorities of the Government's new PNCP.

In 2019, driven by the strong commitment of the Ministry of Production (PRODUCE) and other high-level government officials, strategic cooperation was enhanced on the development of the National Industrial Policy, the National Industrial Parks Strategy, and the National Roadmap for Circular Economy in industry. Additional technical assistance projects were initiated in the areas of investment promotion and technology transfer as well as the economic empowerment of women in green industry. All projects have high potential for replication at the national level and will contribute to driving innovation, investments and partnerships. A framework agreement with the National Development Bank (COFIDE) is in the final stage of negotiations. Through the new cooperation framework UNIDO and COFIDE will support industrial park development, innovation, and credit schemes for small and medium-sized enterprises in industrial zones. In addition, UNIDO and the World Association of Women Entrepreneurs (FCEM) signed a joint declaration on cooperation in the field of women's economic empowerment, circular economy and resource efficiency on the occasion of the 67th FCEM World Congress held in Lima in November 2019.

The programme's coordination and governance structure was consolidated through the establishment of a Multi-sectoral Commission for the PCP Peru, adopted by a Presidential Supreme Resolution. The local PCP Coordination Office was strengthened and relocated to the premises of the National Association of Industries (SNI) to facilitate regular engagement and consultations with the private sector. In addition, cooperation was strengthened with regional governments, including Arequipa, Junín, La Libertad, the San Martín region, Trujillo, and Ucayali.



The Director General received the highest award (Grado Gran Cruz) for the "most distinguished services" awarded by the Government of Peru

In June 2019, the Director General of UNIDO undertook a mission to Lima to meet with the Prime Minister of Peru, Salvador del Solar, as well as national ministers and high-level representatives from the private and financial sector. The Director General also participated in the International Conference on "Industrial Parks for Inclusive and Sustainable Industrial Development" that was jointly organized by UNIDO, PRODUCE and SNI. The conference was attended by 800 participants from 30 countries. On the occasion of his visit to Peru, the Director General received the highest government award ("Grado Gran Cruz") in recognition of the "most distinguished services" provided by UNIDO in support of inclusive and sustainable industrial development (ISID) in Peru, including the achievements of the PCP.

The Minister of PRODUCE participated in the 18th session of the UNIDO General Conference, which was held under the theme "Industry 2030 – Innovate. Connect. Transform our Future" in Abu Dhabi, United Arab Emirates, from 3 to 7 November 2019. The Minister of PRODUCE was also a panelist at UNIDO's Seventh ISID Forum, which highlighted how multi-stakeholder partnership models, such as the PCP, can support the achievement of national goals and the 2030 Agenda.

By the end of the year, funding for UNIDO's technical assistance in Peru amounted to USD 8.4 million, and cumulated investments and co-funding leveraged since the initiation of the PCP reached over USD 93 million. Technical cooperation (TC) funding of USD 7 million is secured for 2020, in addition to a pipeline TC portfolio of 4 projects totaling USD 3 million.

2. INTRODUCTION

UNIDO's mandate for Inclusive and Sustainable Industrial Development (ISID) is anchored within the internationally agreed 2030 Agenda and the 2013 Lima Declaration. The Sustainable Development Goal (SDG) 9: *“Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”* is at the core of UNIDO's mandate and working agenda. Nevertheless, achieving ISID requires a broader range of resources than any individual entity can provide.

Within this context, UNIDO developed an innovative multi-stakeholder partnership model to advance inclusive and sustainable industrial development in Member States: the Programme for Country Partnership (PCP). Aligned with the national development agenda, the PCP supports countries in achieving their industrial development goals through several key features: (i) host government ownership; (ii) selected priority sectors or areas; (iii) a multi-stakeholder partnership; and (iv) the facilitation of large-scale public and private finance.

Peru was selected as one of the pilot countries of the new PCP model. In December 2015, the Government of Peru and UNIDO began developing a holistic programme to accelerate ISID in Peru. A Joint Declaration on the PCP was signed by the Ministry of Production and UNIDO at the occasion of the Organization's sixteenth session of the General Conference. Peru became the first PCP in the Latin America and Caribbean region.

The four components/priority areas identified for the PCP Peru to support ISID, national priorities for the period 2016-2021, and the objectives of the SDGs are:

- **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

Gender mainstreaming and policy advice are cross-cutting elements of the PCP.

The PCP's implementation phase started in January 2018 with several technical projects launched within the programme's four priority areas, including sustainable industrial park development, quality enhancement of targeted sectors, partnerships for green industry, and the mainstreaming of energy and environmental dimensions. Since the initiation of the programme, UNIDO has been providing technical assistance, policy advice and strategic guidance in advancing ISID.

The PCP Peru was developed in line with the country's main development policy framework “Plan Bicentenario: El Perú hacia el 2021” (Plan 2021), a strategic plan that aims to drive Peru towards an inclusive, sustainable and planned development model. This plan, defined by the Central Planning Agency (CEPLAN), outlines the roadmap and objectives for 2021. It defines six strategic axes: (1) human rights and social inclusion; (2) opportunities and access to services; (3) state and governance; (4) economy, competitiveness and employment; (5) regional development and productive infrastructure; and (6) environment, biological diversity and disaster risk management. The 4th, 5th and 6th axes are the most relevant for the PCP Peru.

In 2019, Peru's new strategic development plan, the PNCP, was enacted by Supreme Resolution. It is a multi-sectorial programme to “create the necessary conditions for the generation of well-being for all Peruvians”. It comprises nine priority objectives and thirty-six policy guidelines. Priorities 6 (Developing a productive business environment) and 9 (Environmental sustainability) are the most relevant for the PCP. The National Strategy for the Development of Industrial Parks and the National Round Map for Circular Economy were officially embedded in the PNCP (priority 6 and 9) and were both developed with the support of the PCP Peru.

In the second half of 2019, driven by the strong commitment of the PRODUCE and other high-level government officials, strategic cooperation was enhanced on the development of the national industrial policy, the integration of gender and green industrial policies, and science and technology parks.

Box 1: Highlights of the International Conference on Industrial Parks for Inclusive and Sustainable Industrial Development, 11-12 June 2019, Lima, Peru

- Organized by UNIDO in cooperation with SNI and PRODUCE
- Inaugurated by the Minister of PRODUCE, the President of SNI and the UNIDO Director General;
- 800 participants from 30 countries;
- 60 high-level international and national panelists;
- Launched UNIDO's International Guidelines for Industrial Parks.



For more information click [here](#)

3. ALIGNMENT WITH AND CONTRIBUTION TO UNDAF

UNIDO participates in the United Nations Development Assistance Framework Peru (2017-2021), which was updated in 2019. The PCP contributes to sub-product 1.1 “Government institutionalizes policies and programmes for inclusive green growth to ensure sustainable livelihoods and generate new jobs”, of product 1 “Public policies and programmes for inclusive green growth and greenhouse gas (GHG) reduction adopted in accordance with national commitments and international agreements”, and sub-products 3.1 “Opportunities for access to decent work are generated for the most vulnerable populations” and 3.2 “Technical assistance is provided to the government to implement programs and projects for productive, inclusive and sustainable development that incorporate the principles of decent work” of product 3 “Regulatory framework, policies and programmes promote sustainable productive development and generate decent work opportunities, with emphasis on the most vulnerable populations”.

These products are part of outcome 1 “By 2021, people in conditions of vulnerability, poverty and discrimination improve their access to productive and decent livelihoods and employment, through sustainable development paths that strengthen social and natural capital, integrating adequate risk management”.

PCP PERU CONTRIBUTES PARTICULARLY TO THE FOLLOWING SDGs:

SDG 5: Achieve gender equality and empower all women and girls

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

SDG 12: Ensure sustainable consumption and production patterns

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development



4. PROGRAMME-LEVEL RESULTS

4.1. COORDINATION AND GOVERNANCE

- *UNIDO Secretariat*

UNIDO has established a PCP Peru technical team working across different departments at its Vienna Headquarters to ensure overall coordination and coherence of programme implementation.

- *National PCP Coordination Office*

A National PCP Coordination Office was established to facilitate national programme implementation. Since February 2019, and in order to enhance cooperation with the private sector, the PCP Office is located at the premises of the SNI.

- *Inter-Ministerial National Advisory Board*

During 2019, considerable efforts were undertaken to further strengthen the institutional set-up of the PCP governance structure. Despite Government reshuffling in the course of 2019, a Presidential Supreme Resolution was enacted on 7 November 2019. It establishes a Multi-sectoral Commission to further guide the implementation and inter-ministerial coordination of the PCP.

This Commission comprises the following Ministries:

- Ministry of Production (chair) (PRODUCE)
- Ministry of Foreign Affairs
- Ministry of Foreign Trade and Tourism (MINCETUR)
- Ministry of Environment (MINAM)
- Ministry of Transport and Telecommunications (MTC)

During its first meeting, Commission members agreed to enhance coordination and decided that the PCP should be further aligned with the new Government priorities of the PNPC.

- *Partner and Donor Working Group*

The official establishment of the Partner and Donor Working Group (PDWG) is still in process, and discussions are ongoing with the Technical Secretariat of the PCP's Multi-sectoral Commission to advance its establishment.

The PDWG will serve as the main focal point for bilateral and multilateral partners, including financial institutions, to further facilitate resource mobilization and funds allocation for the PCP. It will also contribute to streamline coordination, trigger complementarities, and bring greater synergies between the various donor and partner interventions related to fostering industrial development in the country.

4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

The following outlines the partnerships and resources mobilized for the PCP Peru, and the synergies created with other initiatives.

QUALITY AND INNOVATION



Coffee plantation in Moyobamba, San Martín

Activities related to quality improvement in the coffee and cocoa value chains are jointly managed with the National Institute for Quality (INACAL). Creating synergies with projects and initiatives from the regional government of San Martín (target region) and other partners working in the same value chains is a high priority. For instance, strong linkages were established with the “Safe Cocoa Project”, which is supported by the United States Department of Agriculture, the United States Agency for International Development and the public-private “Alliance for Cocoa”.

Upon request and in close cooperation with the National Council of Science, Technology and Technological Innovation (CONCYTEC), technical guidelines for Science and Technology Parks (STPs) were developed and presented at the international symposium “Technological Scientific Parks as an Innovation Instrument for Regional Competitiveness” held in Lima, October 2019.

For the further development of STP services in Peru, links with the EU delegation in Lima, the Inter-American Development Bank (IaDB) and the Development Bank of Latin America (CAF) were reinforced.

VALUE CHAIN AND ENTERPRISE DEVELOPMENT

Close cooperation between UNIDO, the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD) led to the joint development of a USD 16 million project on the sustainable development of the Amazon. Strong partnerships were established with MINAM and the Ministry of Agriculture, as well as Peru’s National Development Bank (COFIDE) which will seek to provide credit lines for the project.

SUSTAINABLE INDUSTRIAL PARKS

This component has triggered strong and diverse partnerships and cooperation with more than 20 partners, including SNI, SECO, PRODUCE, MINAM, MTC (Ministry of Transport and Communications), universities and the private sector.

A Public-Private Committee was established under the leadership of PRODUCE for the development of the National Strategy for Industrial Parks. IaDB and the World Bank have voiced interest in supporting its implementation.

The “International Conference: Industrial Parks for Inclusive and Sustainable Industrial Development” was organized by UNIDO, together with PRODUCE and SNI. It was successfully held in Lima on 11 and 12 June 2019 with the presence of the UNIDO Director General. Discussion panels were attended by high-level government representatives from Argentina, Egypt, Ethiopia, Indonesia and Peru, as well as the Chief Executive Officer of COFIDE, the General Director of MINCETUR, the Secretary-General of WEPZA (World Export Processing Zones Association), and the Director of the IaDB in Peru.

INDUSTRIAL RESOURCE AND ENERGY EFFICIENCY, AND RENEWABLE ENERGY

In 2019, multiple partnerships were initiated to support the uptake of circular economy and to actively support the development of the National Roadmap for Circular Economy in industry. Multi-stakeholder workshops, validation events and studies undertaken in cooperation with MINAM, PRODUCE, SNI, and the office of the European Union (EU) in Peru, supported the development of the Roadmap.

UNIDO and the Technological Institute of Production (ITP) in Peru conducted a joint study to identify the best ways to introduce circular economy principles and practices in the Centres for Productive Innovation and Technology Transfer (CITES) network. The outcomes of the study were presented to diverse representatives from the public and private sector, and triggered strong interest in joint follow-up activities.



FCEM World Congress

UNIDO and the World International Association of Women Entrepreneurs (FCEM) signed a Cooperation Agreement on the occasion of the 67th FCEM World Congress held in Lima from 19 to 21 November 2019, hosted by the Association of Women Entrepreneurs of Peru. The cooperation aims to support the economic empowerment of women and circular economy and resource efficiency.

FCEM is a non-profit organization uniting female entrepreneurs from around the world since 1945. It is present in over 120 countries with the objective to enhance entrepreneurship among women.

CROSS-CUTTING PROJECTS



Focal points during the project inception meeting in Vienna

Along with Cambodia, Senegal and South Africa, Peru benefits from the Global Programme on “Economic Empowerment of Women in Green Industry”, funded by the Federal Ministry of Economic Cooperation and Development of Germany (BMZ). Implementation is currently ongoing in cooperation with UN Women; PRODUCE, MINAM, and the Ministry of Women and Vulnerable Populations (MIMP) are the national counterparts.

4.3. RESULTS OF PCP ADVISORY SERVICES

NATIONAL STRATEGY FOR INDUSTRIAL PARK DEVELOPMENT



UNIDO team assessing an industrial park against the International Framework for Eco-Industrial Parks

Supporting industrial park development is a key element of PCP Peru. Since the start of the PCP, a number of detailed sectoral and regional analyses were elaborated to serve as basis for the development of a national strategy. In 2019, the “National Strategy for Industrial Parks Development” was included in the Government’s new National Plan of Competitiveness and Productivity, specifically Policy Measure 6.3, Priority Objective 6. Policy Measure 6.3. aims to create adequate productive and social infrastructure to stimulate productive growth and diversification. Under the leadership of PRODUCE, a Public-Private Committee was established that elaborated, in close consultation with regional governments and UNIDO, “the National Strategy for Industrial Park Development”. The latter has five strategic objectives: (1) Expand and improve the offer and demand for industrial parks; (2) Promote the implementation of industrial parks in close alignment with city development; (3) Provide services to accompany industrial parks (e.g. qualified work force); (4) Create a favorable institutional and government framework for industrial parks; and (5) Create a legal and regulatory framework that supports industrial park development.

NATIONAL CIRCULAR ECONOMY ROADMAP FOR INDUSTRY



National Circular Economy Roadmap workshop in Lima

UNIDO, MINAM, PRODUCE and the local EU office have been cooperating closely to promote the adoption of circular economy, which is another important element of the PCP Peru. Throughout 2019, the development, consultation and validation process of the National Circular Economy Roadmap was supported through this collaboration. Workshops were organized for the public and private sectors across four regions of the country (Arequipa, Tarapoto, Trujillo and Lima). The National Circular Economy Roadmap is included in the National Plan of Competitiveness and Productivity (Policy Measure 9.3, Priority Objective 9) and it was pre-published for final consultations in December.



Circular Economy, Impact Financing and Industry 4.0 in Lima

In June, a high-level workshop on “Circular Economy, Impact Financing and Industry 4.0” was organized in cooperation with MINAM, PRODUCE and the local EU office. Additionally, PCP team members participated as presenters in the “International Symposium: Recycling towards a Circular Economy”, held from 24 to 25 October, and the “Second International Forum on Circular Economy” held from 25 to 26 November 2019. In addition to providing policy advice on the Circular Economy Roadmap, a study was conducted in close collaboration with the ITP (National Productive Technology Institute). The study aimed to evaluate the best way of introducing circular economy principles and services into the Centres for Productive Innovation and Technology Transfer (CITE) network.



2nd International Forum on Circular Economy

NATIONAL INDUSTRY DEVELOPMENT POLICY

Upon specific request of the Ministry of PRODUCE, UNIDO initiated its support to the formulation of the new National Industrial Development Policy. The draft work proposal and related work plan are currently being discussed with PRODUCE.

INTEGRATION OF GENDER AND GREEN INDUSTRIAL POLICIES

In close cooperation with three ministries (PRODUCE, MINAM and MIMP), policy-makers and practitioners are receiving advice on the establishment and implementation of a policy framework that integrates gender and green industrial policies. Policy advisory services are provided as part of the national component of the “Global Programme on Economic Empowerment of Women in Green Industry”, officially launched during the inception meeting in Vienna, November 2019. The project aims to empower women to take leadership roles in green industries, as entrepreneurs and industry professionals.



Women working in recycling in Lima, Villa El Salvador

GUIDELINES FOR SCIENCE AND TECHNOLOGY PARKS IN PERU

In the second half of 2019, UNIDO began collaborating with the National Council of Science, Technology and Technological Innovation (CONCYTEC) on the design of technical guidelines for the establishment of the first science and technology park (STP) in the country. The proposal is being finalized and addresses the following: (1) Support CONCYTEC in the design and implementation of STP procedures; (2) Preparation of pre-studies for the establishment of three sectoral innovation and learning/ training centres for industry 4.0 technologies transfer/adoption in mining, agro-industry and forestry; and (3) Promotion of partnerships with high-tech institutions, multinational companies and UNIDO's ITPO network for encouraging technology transfer, new skills development, education/training, and investment.

In this context, UNIDO also attended the International Symposium on “Technological Scientific Parks as an Instrument of Innovation and Regional Competitiveness”, which was organized by CONCYTEC on 29 and 30 October 2019. UNIDO participated in an expert panel focused on key factors for the establishment of STPs, encouraging collaboration between academia, government, industry and society. The panel also discussed leveraging innovation in an ecosystem driven by market opportunities in competitive industrial sectors, and the adoption of new technologies and business models of the Fourth Industrial Revolution. Seven different initiatives for the establishment of STPs in Peru were assessed during a training workshop and recommendations for improvements were discussed. Around 200 participants from the public and private sectors, including researchers, incubators and accelerators, attended the two-day event.



UNIDO's intervention at the conference “Technological Scientific Parks as an Instrument of Innovation and Regional Competitiveness” organized by CONCYTEC

4.4. TECHNICAL COOPERATION RESULTS

The following section highlights achievements in the eight TC projects of the PCP Peru. It should be noted that of these eight projects, two are in the preparatory phase and three initiated the implementation only in the second half of 2019. In total, more than 2,000 persons attended 23 trainings and/or events organized as part of the PCP Peru in 2019.

4.4.1 QUALITY AND INNOVATION

This component aims to strengthen the national quality infrastructure in Peru and promote innovation in industry. As such, the component entails capacity-building and the promotion of policies for national institutions.

Project: “Strengthening the coffee and cocoa quality for exports from Peru”

Implementation of the main project phase commenced in September 2018. In close consultation with INACAL, San Martín was selected as the pilot region for the project with the overall aim to subsequently replicate activities in other parts of the country.

UNIDO initiated consultations with the regional government and other partners involved in the coffee and cocoa value chains (see section 4.4.2). Furthermore, an experts' database was prepared as well as a communication and public relations plan. The latter foresees the establishment of a specific communication platform to interlink with other initiatives and provide technical data and project updates. At the national level, regular coordination meetings were held with the National Coffee Board, the Coffee and Cocoa Chamber of Peru, the Peruvian Association of Cocoa Producers, the Lima Chamber of Commerce, the Association of Exporters, and the SNI. The project will seek to align activities of the various entities and foster partnerships to achieve higher impact.



Technical regional group of Moyobamba, San Martín

Furthermore, UNIDO's global experience and project on strengthening quality infrastructure in selected value chains was presented on the occasion of the "International Seminar on Quality: Progress and Challenges in Peru and the World", organized by INACAL in November 2019. This event brought together more than 250 participants from the public and private sectors, international development cooperation, financial institutions, etc.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
180151	"Strengthening the coffee and cocoa quality for exports from Peru"	SECO	2,248,000
Sub-total:			2,248,000

4.4.2 VALUE CHAIN AND ENTERPRISE DEVELOPMENT

This component aims to strengthen the performance of targeted value chains and supply chains in order to facilitate market access and create employment. It also entails technical cooperation on entrepreneurship development, and the establishment of clusters and networks.

Project: "Building human well-being and resilience in Amazonian forests by enhancing the value of biodiversity for food security and bio-businesses, in a context of climate change"

This project represents an innovative and collaborative approach to the sustainable development of the Amazon. In cooperation with FAO and IFAD, UNIDO supports sustainable production practices for enhanced value of biodiversity products. Innovative economic models and commercial strategies will be developed, applied and promoted for products derived from the sustainable use of forests. The project will support the integration of value-added products into value chains, thus increasing access to markets and generating socioeconomic and, at the same time, environmental benefits for local populations.

In June 2019, the GEF Council approved the project proposal submitted by UNIDO, FAO, and IFAD. An amount of USD 93,000 was allocated to UNIDO to elaborate the main project document. During the preparatory phase, the following activities were undertaken in close cooperation with government counterparts:

- Value chain and baseline analysis
- Gender assessment
- Environmental and social management plan (jointly with FAO and IFAD)
- Institutional assessment
- Development of partnerships with other partners and programmes in the form of co-financing

The preparation phase is expected to be completed in April 2020. The project document will subsequently be submitted to GEF for review and final approval in June 2020. The expected total funds for the project amount to USD 15,599,083, out of which USD 5,629,505 will be allocated to UNIDO for technical assistance. The project will be jointly implemented by FAO, IFAD and UNIDO. This project is aligned with objective 9.7 of the new PNCP "Instruments for sustainable management and valorization of natural resources and eco-system services".

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
190176	PA Phase - "Building human well-being and resilience in Amazonian forests by enhancing the value of biodiversity for food security and bio-businesses, in a context of climate change"	GEF	93,000
Sub-total:			93,000

4.4.3 SUSTAINABLE INDUSTRIAL PARKS

Projects under this component are closely linked to the National Strategy for Industrial Park Development in Peru (see 4.3.).

Project: “Sustainable Industrial Zone Development in Peru”

The project aims to promote the diffusion of clean technologies to reduce emissions of unintentional persistent organic pollutants) and greenhouse gases. Key elements of the project are: (i) The improvement of regulatory mechanisms for the development of sustainable industrial zones in Peru, including industrial parks; and (ii) The implementation of, at minimum, one pilot project in Callao, the largest industrial zone of Peru. The project envisages to develop a model sustainable industrial zone that could be replicated in other industrial zones of the country and in cooperation with other partners and financial institutions.

Implementation of the project re-initiated following the signing of the implementation agreement by the Minister of PRODUCE and the UNIDO Director General at the eighteenth session of the UNIDO General Conference in Abu Dhabi in November 2019. Project recruitment, planning and activities were initiated in cooperation with the National Project Director assigned by PRODUCE and in close coordination with MINAM.



Signature of implementation agreement during the UNIDO General Conference

Project: “Global eco-industrial parks programme in developing and transition countries – Component Peru”

The eco-industrial parks project for Peru aims 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. Demonstration projects will be carried out in three existing industrial parks.



Lurin Industrial Zone in Lima

During the preparatory phase, the following activities were carried out:

- Assessment of existing industrial parks in Peru;
- Pre-selection of industrial parks to participate in the project;
- Gender assessment;
- Environmental and social management plan for the project;
- Stakeholders gap assessment
- Analysis of the regulatory framework for eco-industrial park development; and
- Multi-stakeholder consultation workshop in cooperation with MINAM, PRODUCE and Switzerland (SECO).

The Swiss Government has earmarked CHF 2 million for this project. The respective project document is being finalized and the project launch is planned for March 2020.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
150061	“Sustainable industrial zone development in Peru”	GEF	4,114,000
180318	“The Global Eco-Industrial Parks Programme in Developing and Transition Countries” – Component Peru *PA	SECO	124,300
Sub-total:			4,238,300

4.4.4 INDUSTRIAL RESOURCE AND ENERGY EFFICIENCY, AND RENEWABLE ENERGY

Project: “Mainstreaming of energy and environmental dimension in PCP Peru”

In close cooperation with the ITP, the study “Assessment of the needs and capacities in circular economy of the innovation services of the CITE Network in Peru to determine how to best to integrate the theme into the Network” was conducted. For this purpose, expert teams visited selected CITEs in six regions and organized two workshops with a total of over 100 participants (54 % women and 46% men).

The results of the study were presented to the directives of ITP, PRODUCE and the CITE network, and triggered significant interest in a follow-up phase of the project.



Results of the circular economy assessment were presented.

Project: “Partnership for Action on Green Economy (PAGE)”

The overall objective of PAGE is to integrate the concept of green growth into national development policies and investment decisions. As part of the development of the Roadmap on Circular Economy, four consultation workshops were carried out in Lima, Trujillo, Arequipa and Tarapoto to collect inputs from the public and private sector on circular economy issues. Six thematic areas were discussed: (i) sustainable industrial production; (ii) sustainable consumption; (iii) waste management; (iv) secondary raw material markets; (v) sectorial measures; and (vi) innovation and financing. The results of the consultation workshops were presented to MINAM and PRODUCE.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
170099	“Mainstreaming of energy and environmental dimension in the PCP Peru”	Spain	114,000
130090	“Partnership for Action on Green Economy (PAGE)”	EC, Finland, Germany, Korea, Norway, Sweden, Switzerland	104,000
Sub-total:			218,000

4.4.5 OVERVIEW OF CROSS-CUTTING PROJECTS

Project: “Economic Empowerment of Women in Green Industry”– Component Peru

The project forms part of a global programme. In Peru, the project is being implemented in close cooperation with focal points from three ministries, namely PRODUCE, MINAM, and the Ministry of Women and Vulnerable Populations. The inception meeting of the project was held in Vienna, 14-15 November 2019. It brought together the national focal points from the four participating countries, representatives from UN Women and the UNIDO project team to discuss project elements and the establishment of the National Steering Committee. Additionally, an in-depth qualitative and quantitative assessment on the constraints and opportunities of women’s participation in potential sectors of the green economy was carried out in order to facilitate an evidence-based decision-making process. The research team will publish the results beginning of 2020.



Women working in green industry in Arequipa

Project: “ITPO Korea - Advisory programme for investment promotion and technology transfer in developing countries” – Component Peru

The ITPO Korea’s advisory programme, through its Peruvian component, is a project aligned with the development priorities, strategies and action plans of the Government of Korea and the Government of Peru. Its objective is to enhance business cooperation of small and medium-sized enterprises (SMEs) in both countries by facilitating access to information and business contacts. In 2019, contacts were established with 80 national companies and institutions, including ProInversion (national investment promotion agency), CONCYTEC, PromPeru (national export promotion agency) as well as several ministries and private entities that promote business cooperation with SMEs. As part of the project, thirteen events in Peru were attended by Korean counterparts with the objective to meet and network with Peruvian SMEs, including the summit “Cumbre de Emprendedores 2019”. Five Peruvian SMEs, seeking business opportunities in Korea, received direct assistance in promoting their businesses. Furthermore, the “Peruvian Market Investment Climate Report” was elaborated in English and Korean and is available [here](#).



UNIDO ITPO participation at the “Cumbre de Emprendedores 2019”

Funding for cross-cutting projects

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
170065	“Economic Empowerment of Women in Green Industry”	Germany (BMZ)	314,000
180059	“ITPO Korea - Advisory Programme for Investment Promotion and Technology Transfer in Developing Countries - Component Peru.”	Republic of Korea	350,000
150413	PCP project development and coordination	IDF, Partnership Trust Fund (Peru and China)	991,000
			Sub-total: 1,655,000
ERP ID	Pipeline project / sub-programme title	Donor	Funding (US\$)
190001	“Technical assistance to the design, formulation and implementation of the National Industrial Development Policy in Peru”	Government of Peru - PRODUCE	210,000
			Sub-total: 210,000
Cross-cutting total		USD	1,865,000

5. LESSONS LEARNED AND BEST PRACTICES

Despite government reshufflings in 2019, PCP Peru advanced continuously. The close cooperation with private sector associations and key international partners and donors significantly contributed to the smooth continuation and resilience of the PCP. Similarly, the successful and joint organization of the international conference on industrial parks for ISID by PRODUCE, SNI and UNIDO boosted trust among partners and paved the way for further collaboration.

The recent Presidential Supreme Resolution strengthened the PCP’s governance structure through the establishment of a Multi-sectoral Commission and is expected to further support coordination at the national level.

Furthermore, the role of the local PCP Coordination Office was critical to support daily engagement with the newly-appointed authorities and to swiftly respond to new requests and priorities arising. To guarantee the continuity of the PCP coordination and its local office, a long-term agreement with PRODUCE is under negotiation.

The mobilization of resources in a middle-income country, such as Peru, remains a challenge. To this end, negotiations are ongoing on the establishment of a Partner Donor Working Group (PDWG) to foster fundraising, investments and partnerships for industrial development programmes and the PCP.

6. COMMUNICATION

The objectives of the communication strategy for the PCP Peru are as follows:

- To engage with key actors in Peru so as to enhance the impact of the PCP Peru interventions and integrate the principles of ISID into policy and planning;
- To engage staff at HQ and regional offices to identify synergies and enhance the impact of technical cooperation activities;
- To bring diverse partners together in the PDWG to promote and support industrial development initiatives;
- To engage donors and financial institutions so as to mobilize partners and resources for ISID; and
- To engage partners and the general public in major events, such as forums, conferences and expert meetings, in order to exchange knowledge, forge partnerships and shape strategies for advancing ISID.

Its target audience is composed mainly of:

- PCP Peru partners (public and private), including high-level representatives from public and private institutions engaged in the promotion and implementation of industrial development initiatives;
- Donors and financial institutions, i.e. all the institutions providing resources, information and expertise for technical cooperation projects;
- The general public;
- The Member States; and
- The UNIDO staff.

Diverse activities were undertaken to create effective communication campaigns to promote PCP Peru achievements, such as: the organization of individual, high-level meetings with PCP partners to guide the strategic direction of the PCP; joint workshops, trainings and high-level events on industrial development topics; as well as participation of UNIDO experts and PCP team members as key note speakers and/or panelists in many events at the national and regional level.

These activities also included: regular meetings with representatives from financial institutions and donor institutions; the dissemination of partnership brochures; regular updates on the PCP Peru page of the UNIDO website; briefings for Member States; articles on the PCP Peru in national newspapers or specialized magazines; and the implementation of tools such as PCP News Alerts for internal staff.

Among the different activities, highlights include the event on “Circular Economy, Impact Financing and Industry 4.0” and the international conference on “Industrial Parks for Inclusive and Sustainable Industrial Development”, both held in Lima, Peru.

Circular Economy, Impact Financing and Industry 4.0 event

In the context of the fourth component of the PCP Peru “Industrial Resource and Energy Efficiency and Renewable Energy”, UNIDO together with MINAM and PRODUCE, organized a high-level workshop on “Circular Economy, Industry 4.0 and Impact Financing”. The event which was held on 10 June 2019, included presentations and a discussion panel, bringing together 60 high-level representatives from the government and private sector, institutions and academia. The workshop was delivered within the context of developing and adopting a Roadmap for Circular Economy in industry.

International Conference “Industrial Parks for Inclusive and Sustainable Industrial Development”

UNIDO, in cooperation with SNI and PRODUCE, organized the International Conference on “Industrial Parks for Inclusive and Sustainable Industrial Development” in Lima. The Conference, held on 11 and 12 June, was inaugurated by the Director General LI Yong, H.E. Ms. Rocio Barrios, Minister of PRODUCE, and Mr. Ricardo Marquez, President of SNI. It brought together 800 participants from 30 countries in Africa, the Arab region, Asia, Europe and Latin America and hosted 60 international and national panelists, including high-level representatives from the Governments of Peru, Argentina, Egypt, Ethiopia, and Indonesia, respectively.

Panelists and participants shared their experiences and know-how on different aspects of industrial parks, including government policies, innovation, environmental protection, financial tools, management models, social inclusion, eco-industrial parks, circular economy and Industry 4.0. In addition, critical cross-cutting issues for social inclusion in industrial parks were addressed, such as gender empowerment and the creation of jobs for young people.

In the context of the third PCP Peru component “Sustainable Industrial Parks”, the Conference aimed at strengthening the role of industrial parks in the public agenda as an instrument at the centre of the country’s industrialization strategy.

It should be noted that, with the support of the PCP Peru, the National Strategy for the Development of Industrial Parks is a major milestone of the new PNCP launched in December 2019. For more information on the Conference, please refer to Box 1.

7. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2020

- Continue supporting fundraising and partnerships through the systematic identification of international funding cooperation opportunities and the establishment of a Partner and Donor Working Group;
- Strengthen partnerships with the UN Development System in Peru through joint programme design and resource mobilization;
- Provide technical assistance and policy advice to PRODUCE in the development of the new Industrial Policy;
- Align the PCP with the new National Plan of Competitiveness and Productivity, and identify new opportunities for cooperation, especially in areas such as industrial digitalization and circular economy;
- Launch of the project entitled “Eco-Industrial Parks – Peru”;
- Launch of the project entitled “Building human well-being and resilience in Amazonian forests by enhancing the value of biodiversity for food security and bio-businesses in a context of climate change”;
- Continue supporting the implementation of the National Road Map for Circular Economy in Industry through existing interventions and the design of new ones; and
- Consolidate the PCP’s coordination mechanism for 2021.

8. ANNEX 1: PCP PORTFOLIO OVERVIEW - UNITO TC

ERP ID	PCP component # or cross-cutting area	Ongoing project / sub-programme title	Donor	Funding (US\$)
180151	Component 1	Strengthening the coffee and cocoa quality for exports from Peru	SECO	2,248,000
190176	Component 2	Building human well-being and resilience in Amazonian forests by enhancing the value of biodiversity for food security and bio-businesses in a context of climate change *PA	GEF	93,000
150061	Component 3	Sustainable industrial zone development in Peru	GEF	4,114,000
180318	Component 3	The Global Eco-industrial Parks Programme (GEIPP) in Developing and Transition Countries *PA	SECO	124,300
170099	Component 4	Mainstreaming of energy and environmental dimension in the PCP Peru	Spain	114,000
130090	Component 4	Partnership for Action on Green Economy (PAGE)	EC, Finland, Germany, Korea, Norway, Sweden, Switzerland	104,000
170065	Cross-cutting	Economic Empowerment of Women in Green Industry	Germany	314,000
180059	Cross-cutting	ITPO Korea - Advisory Programme for Investment Promotion and Technology Transfer in Developing Countries - Component Peru.	Republic of Korea	350,000

150413	Cross-cutting	PCP project development and coordination	IDF, Partnership Trust Fund (Peru and China)	991,000
			Sub-total:	8,452,300
ERP ID	PCP component # or cross-cutting area	Pipeline project / sub-programme title	Donor	Funding (US\$)
170233	Component 2	Fostering integrated value chain development in Peru's aquaculture sector	CAF, SSCAF	1,841,000
	Component 2	Entrepreneurship Curriculum Programme	World Bank	936,000
	Cross-cutting	Technical assistance to the design, formulation and implementation of the National Industrial Development Policy in Peru	Government of Peru (PRODUCE)	210,000
190313	Cross-cutting	The Global Greenchem Innovation and Network Programme (GGINP) *PA	GEF	50,000
			Sub-total:	3,037,000
PCP total			US\$ 11,489,300	

9. ANNEX 2: INVESTMENTS LEVERAGED BY THE PCP, INCLUDING FORECAST FOR 2020

Partner	Component	Nature of funding	Allocation/Investment (USD)			
			Cumulative up to 2018	2019*	2020	Total
INACAL	1 Quality and innovation	In-kind		162,689		162,689
laDB		Loan	40,000,000			40,000,000
IFAD	2 Value chain and enterprise development	Co-funding			5,000,000	113,000,000*
Ministry of Environment					78,000,000	
Ministry of Agriculture						
Ministry of International Trade						
Ministry of Production						
Local Governments		In-kind			27,000,000	
COFIDE		In-kind			to be defined	
		Loan				
Industrial association		In-kind			2,000,000	
Private sector		Equity/ in-kind			1,000,000	
Ministry of Production	3 Sustainable industrial parks	In-kind	1,014,000	60,000		44,440,304
Ministry of Environment		In-kind	510,000			
Ministry of Transport and Communication		In-kind	35,825,704			
Private sector		Investment/ in-kind	1,437,500			
Industrial association		In-kind	345,600	247,500		
State Secretariat for Economic Affairs		Loan	5,000,000			
Private partners		Investment/ in-kind			1,000,000	
COFIDE		Loan			to be defined	

Ministry of Environment	4 Industrial resource and energy efficiency, and renewable energy (incl. Circular Economy)			24,000		24,000
Ministry of Production / CITE network				22,000		22,000
Ministry of Production	Cross-cutting projects	In-kind			200,000	200,000
Total			84,132,804	516,189	114,200,000	198,848,993

* Estimated figures for in-kind contributions, part of the co-funding expected for the GEF project *“Building human well-being and resilience in Amazonian forests by enhancing the value of biodiversity for food security and bio-businesses in a context of climate change”*.

SCAN **HERE** TO ACCESS UNIDO'S PCP **PERU** WEBSITE



FOR MORE INFORMATION, PLEASE CONTACT >

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