

INDEPENDENT EVALUATION UNIT
OFFICE OF EVALUATION AND INTERNAL OVERSIGHT

INDEPENDENT EVALUATION
OF THE
PROGRAMME FOR COUNTRY PARTNERSHIP (PCP)
IN PERU (2016-2022)



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Acronyms and Abbreviations

AECID	Spanish Agency for International Development Cooperation
AFP	United Nations agencies, funds, and programmes
APP	Private-Public Partnerships
CITE	Centers of Innovation and Technology Transfer
DFI	Development Financial Institutions
EEWiGI	Economic Empowerment of Women in Green Industry
EQ	Evaluation question
FAO	Food and Agriculture Organization
GDP	Gross domestic product
GEF	Global Environment Facility
GEIPP	Global Eco-Industrial Parks Programme
GHG	Greenhouse gases
GIZ	German Agency for International Cooperation
GQSP	Global Standards and Quality Programme
HQ	Headquarters
IFAD	International Fund for Agricultural Development
IFI	International Financial Institutions
ILO	International Labour Organization
INACAL	National Quality Institute
INEI	National Institute of Statistics and Informatics
ISID	Inclusive and sustainable industrial development
KPI	Key performance indicator
LAC	Latin American Countries
MAP	Management Action Plans
MIC	Middle-income country
MINAM	Ministry of the Environment
MSME	Micro, Small & Medium Enterprises
ODA	Official Development Assistance
PAGE	Partnership for Action on Green Economy
PCP	Programme for Country Partnership
PDWG	Partner and Donor Working Group
PNDI	National Industrial Development Policy
PNIC	National Infrastructure Plan for Competitiveness
R&D	Research and Development
SDG	Sustainable Development Goals
SECO	Secretary of State for Economic Affairs
SIZ	Sustainable Industrial Zones
SNI	National Society of Industries
TC	Technical Cooperation
TE	Terminal Evaluation
UN	United Nations

UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDS	United Nations Development System
UNICEF	United Nations International Children's Emergency Fund
UNIDO	United Nations Development Programme
UNRC	United Nations Resident Coordinator
UNS	United Nations System
UNSDCF	United Nations Sustainable Development Cooperation Framework
u-POP	Unintentional Persistent Organic Pollutants
UR	United Nations Development Programme Representative
USD	United States Dollar
WEEE	Waste of Electronic or Electrical Equipment

Glossary of evaluation-related terms

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the development intervention's objectives were achieved or are expected to be achieved.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide means to measure the changes caused by an intervention.
Lessons learned	Generalizations based on evaluation experiences that abstract from the specific circumstances to broader situations.
Logframe (logical framework approach)	Management tool used to facilitate the planning, implementation, and evaluation of an intervention. It involves identifying strategic elements (activities, outputs, outcome, and impact) and their causal relationships, indicators, and assumptions that may affect success or failure. Based on RBM (results-based management) principles.
Outcome	The likely or achieved (short-term and/or medium-term) effects of an intervention's outputs.
Outputs	The products, capital goods, and services which result from an intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Relevance	The extent to which the objectives of intervention are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance, has been completed.
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

Executive Summary

This report constitutes the final evaluation of the Programme for Country Partnership (PCP) in Peru. The PCP Peru was signed in December 2015. Following an inception phase in 2016 and 2017, the implementation started in 2018 and ended in December 2022.

MAIN FINDINGS

PCP approach features

When comparing the PCP Peru design and implementation to the core features of the PCP approach, the evaluation finds that the required pre-conditions contained in the PCP framework for undertaking a PCP in Peru were not in place and assumptions did not hold. Five out of six pre-conditions were not met, and seven out of eight assumptions for a successful PCP implementation did not hold. Those pre-conditions and assumptions were de facto developed or clarified after the PCP document was prepared and signed.

On paper, the PCP design aimed to generate synergies between the projects in the portfolio for the PCP. In the case of PCP Peru (different from the other PCPs), all projects were put under the PCP umbrella. However, the interaction between projects seemed somewhat limited and lacked consistency during PCP implementation.

Gender mainstreaming figured to varying extent in PCP interventions while youth is practically absent. Due to the uneven consideration of gender and marginally addressing human rights and social inclusion in the PCP design, related results are very limited.

In the context of an unclear industrial strategy and a changing political environment, PCP Peru added some value by filtering, highlighting, and giving continuity to priorities through technical assistance and policy advice.

Overall, The PCP Peru has been developed in line with the priorities outlined by the United Nations Development Assistance Framework (UNDAF)/United Nations Sustainable Development Cooperation Framework (UNSDCF). UNIDO TC projects in the country are under the PCP Peru umbrella, assuring coherence on paper – from the design perspective - among UNIDO TC projects, the PCP Peru, the National Development Plans, and the UNSDCF (the latter was signed in September 2021).

PCP Results

Key results: PCP Peru succeeded in leveraging the positioning of UNIDO in the country as a reference in industrial development policies, to develop and sustain a prioritized industrial project portfolio with a focus on industrial parks, quality standards, and resource efficiency. However, the expected strength of PCP Peru related to the establishment of partnerships for upscaling technical cooperation services and impacts was not yet achieved.

In particular, the PCP Peru contributed to the following key results: (i) Enhance the positioning of UNIDO in the country; (ii) promote policy changes (e.g., industrial parks, circular economy, and handling electronic waste), (iii) institutional strengthening (e.g., National Institute of Quality, CITE network); (iv) increase capacity building (public workers, consultants, and projects' beneficiaries) and (v) raise awareness (e.g., conference, forums), through specialized studies (e.g., assessments, masterplans), instruments (e.g., technical guides, database), equipment, technical

assistance, and pilot projects. At the project portfolio level, all of the projects are still ongoing. Therefore, most results are referred to at the activity or output level.

UNIDO succeeded in providing technical advisory and technical assistance on sustainable industrial development policies, in which it is widely recognized that it has its main comparative advantage. However, UNIDO's support roles to the government in stimulating synergies and in mobilizing resources of donors and private investors are still challenging.

PCP Challenges

At the beginning of the PCP, in 2016, the main driver of the PCP in Peru was a highly committed minister of PRODUCE, who championed the PCP for seven months before scheduled elections resulting in a change of government. Barriers to achieving PCP objectives were related to the national context (frequent changes of counterparts in PRODUCE, little interest of governments inheriting the PCP) and UNIDO (lack of field presence and project portfolio and PCP management issues).

The PCP governance structure was frail, disempowered, and lacked consistently high leadership in PRODUCE. The level of implementing the recommendations from the mid-term evaluation in PCP Peru was low. Out of 20 relevant recommendations, only five were fully implemented, six were partly implemented, and nine were not implemented.

Impact and sustainability

The *likely* impact of the PCP and its projects, cannot be assessed at this point, since they are still under implementation, and there is no evidence of transformational change

Seven years after the signature of the PCP agreement, advancements towards ISID would have shown little difference without the PCP in Peru. Significant differences emerge in the perception of UNIDO staff and national stakeholders. PRODUCE seems to be struggling to fulfill its mandate for continuing the industrial development agenda spearheaded by the PCP projects. Concerning the sustainability of specific PCP projects, the evaluation encountered the challenge that all projects are still in the design or implementation phase, and the likely sustainability is too early to be assessed.

Some partnerships were established and nurtured in PCP projects, but their lasting nature beyond the end of the projects is uncertain. At the broader PCP level, the partnership with PRODUCE depends on its unstable political leadership. Partners' financial commitment seems very limited beyond the established project portfolio. The PCP played a crucial facilitation role in launching the GEF project with FAO and IFAD, UN sister agencies which often compete. Concerning the government's financial commitment till 2026 (USD 101,6m), this project is a potential major achievement of the PCP. However, the closure of the PCP coordination office directly affects the in-country funds' mobilization support, and therefore, UNIDO has stepped back from applying for new GEF projects in Peru.

MAIN CONCLUSIONS

Relevance: The PCP concept was developed in parallel with the PCP pilot in Peru. In the absence of specific PCP guidance at the beginning of the inception phase, the evaluation concludes that, in

hindsight, Peru was ineligible to pilot the PCP concept, as the required pre-conditions and assumptions for implementing UNIDO's PCP concept were not met.

Coherence: The PCP Peru served as a helpful instrument to sustain and give coherence and content to a bounded portfolio of flagship initiatives in an unstable political context. Coherence between PCP's strategy, UNIDO TC projects, and UNSDCF constituted a good fit. However, it would have been crucial for PCP Peru to accomplish its mission of coordination, convening, and upscaling impacts, to ensure that the implementation of the PCP strategy leads to UNSDCF's results. The latter was highly challenging, as the pre-conditions for the PCP implementation were not given from the start.

Effectiveness: PCP Peru succeeded in getting key results as a country program portfolio but seems to encounter more challenges in accomplishing its partnership mission. Elements not systematically included in the PCP design, such as gender, human rights, and social inclusion, yielded less prominent results. The PCP encountered more barriers, internal and external ones, than drivers for change.

While UNIDO is on the right track in its role as a provider of industrial expertise, UNIDO's support roles to the government in stimulating synergies and in mobilizing resources of donors and private investors are still challenging. The lack of a permanent physical presence in the country and UNIDO staff turnover involving four (4) different PCP Managers or UNIDO Representatives, affected UNIDO's knowledge of the Peruvian ecosystem, which inhibited a more robust performance in coordination, resource mobilization, and a convening role.

Efficiency: Both the main PCP counterpart in Peru, PRODUCE and UNIDO, contributed to the suboptimal PCP governance structure, which affected the PCP implementation. The PCP Peru did miss the opportunity to use the PCP mid-term evaluation as an opportunity to address structural shortcomings and results achievement.

PCP Peru rapidly adapted to the COVID-19 pandemic and political and institutional changes, assuring the continuity of technical work, albeit the rhythm of implementation of programmed activities slowed down.

Likelihood of impact: PCP contribution to transformational change by advancing ISID in Peru appears suboptimal. As the PCP project portfolio implementation is still less advanced, the difference the PCP makes for progressing ISID in Peru remains uncertain.

Likelihood of sustainability: The institutionalization of the PCP in Peru appears uncertain, and the sustainability of the project results is too early to tell.

The PCP focused too much on its relationship with PRODUCE without giving sufficient and continuous priority to the private sector. The genuineness and sustainability of partnerships established are mixed. Significant funding as an indication of government commitment and ownership was mobilized for two out of 13 projects.

Gender mainstreaming: The gender dimension is less systematically included as a cross-cutting component and often appears as an add-on.

Since an evaluation of the UNIDO PCP framework is currently being conducted, it would be expected that the PCP PERU experience and lessons drawn in this evaluation are factored in during the analysis and assessment being conducted for the overall PCP framework.

RECOMMENDATIONS

R1: UNIDO Management: UNIDO should prepare and implement an adequate exit plan for the PCP in PERU since the minimum pre-conditions established in the PCP framework are not in place.

R2: UNIDO Management: To further foster synergies and exchanges between the UNIDO projects and UNIDO cooperation in Peru, a results-based implementation of TC projects and services should continue in Peru, under the coordination of the UR for Peru (but not within a PCP framework). This should address issues and sustain opportunities and potential achievements, such as:

- The GEF-funded project in Peru lacks a UNIDO country presence since the PCP office was closed. Given that the GEF is expecting a UNIDO country presence for the project implementation period till 2026, alternative arrangements for a project coordination office are required to ensure UNIDO's fiscal presence in Peru.
- UNIDO should continue its cooperation efforts with UN sister agencies. An agreement should be promoted to speed up the implementation of common protocols, standards, and administrative procedures.

MAIN LESSON LEARNED

Lesson 1: Establishing a PCP in a middle-income country encounters the challenges of limited donor presence and funding. This negatively affects large-scale resource mobilization from donors and international development banks.

Lesson 2: Designing a strategic partnership with an outgoing government bears significant risks of commitment. At the same time, building the partnership without the required enabling environment and suitable management structure constitutes an additional risk.

Lesson 3: To have a contingency plan, and a flexible team to implement it, is very helpful to anticipate and quickly adapt in case of unforeseen events.

Lesson 4: A UNIDO field structure was a pre-condition for a national GEF project, which is a major source of income for UNIDO in Peru. The PCP can play an important facilitation role in this process.

1. Introduction

This report constitutes the final evaluation of the Peru Programme for Country Partnership (PCP). The PCP with Peru was signed in December 2015. Following an inception phase in 2016 and 2017, the implementation started in 2018 and ended in December 2022.

The PCP is UNIDO's innovative model for accelerating inclusive and sustainable industrial development in the Member States. Aligned with the national development agenda and focused on sectors with high growth potential, the programme supports a country in achieving its industrial development goals.

The PCP rests on a multi-stakeholder partnership led by the host government. It builds synergies with ongoing government and partner interventions relevant to industrial development. The PCP is also designed to leverage additional investment in selected priority sectors. As such, it is a model that mobilizes partners and resources to achieve a larger development impact.

For UNIDO, the PCP serves to operationalize the Organization's mandate and SDG 9. At the same time, it is a model that can also be used to implement other SDGs.

UNIDO's role: UNIDO takes a leading role during the entire PCP cycle: from the initial country diagnostic, which identifies the main bottlenecks for industrialization, to consultations with different stakeholders and programme development, and throughout implementation.

Key features: Each PCP is tailored to specific country needs but maintains four main features: host government ownership; selected priority sectors or areas; a multi-stakeholder partnership; and the facilitation of large-scale public and private finance¹.

PCP Peru has a total financial volume of USD 190.1 million, distributed in five (5) components and 13 projects, including the cross-cutting projects as a component group. 93% of the PCP volume is concentrated in two (2) projects². Those projects are financed by GEF and underscore the importance of the value chain and enterprise development component (68%)

Map 1: Peru



Source: <https://www.worldometers.info/maps/peru-map/>

¹ UNIDO, 2017: Sustainable industrial development for shared prosperity. UNIDO's Programme for Country Partnership, pages 10 to 12.

² "Building human well-being and resilience in Amazonian forests by enhancing the value of biodiversity for food security and bio-businesses" project and the "Sustainable industrial zone development in Peru" project.

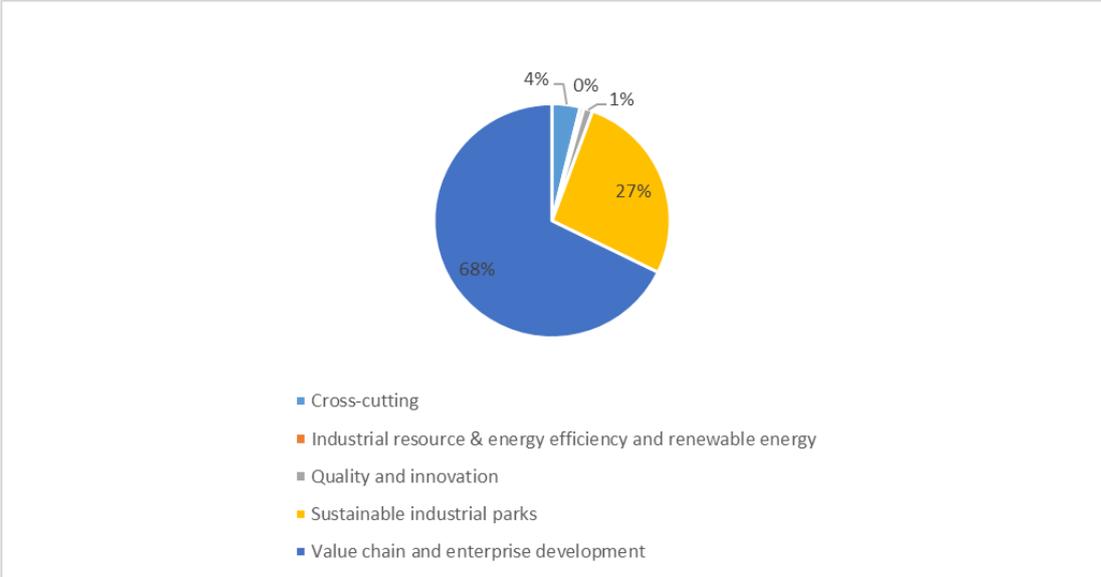
and sustainable industrial parks component (27%) in the total PCP portfolio (see Figure 1, 2, and 3).

Figure 1: PCP Peru's financial volume

UNIDO's TC portfolio (completed and ongoing)	Total number of projects: 13 Total funding secured: USD 16,340,878 Total expenditures to end of current reporting period: USD 3,552,159 Total balance available: USD 11,423,271
Total investments leveraged (cumulative)	Total: USD 173,805,378 Public funds: USD 138,116,207
Total PCP volume	USD 190,146,255

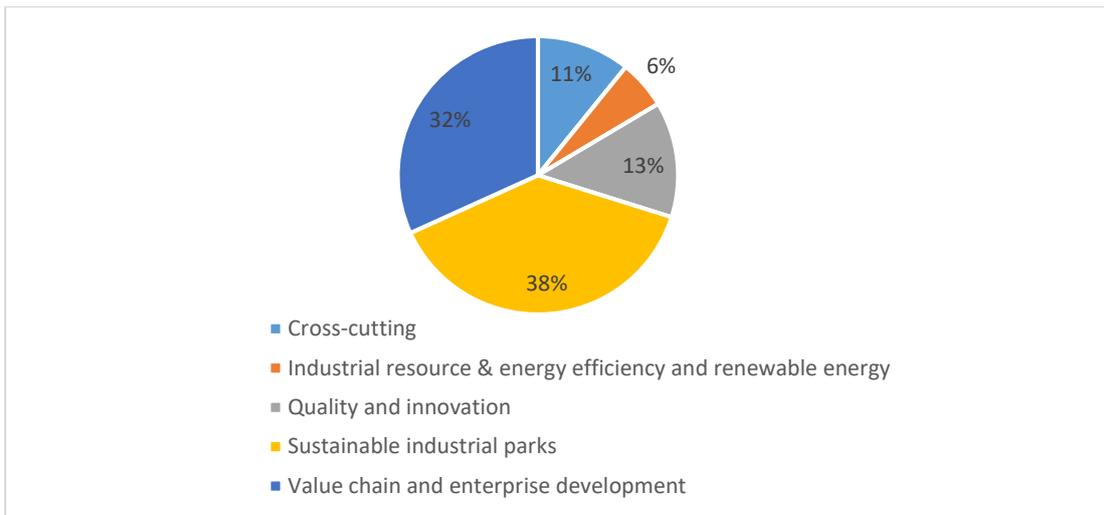
Source: PCP Peru- Factsheet, Peru. Programme for Country Partnership (PCP). Annual Report 2021

Figure 2: PCP Peru: distribution of total resources mobilization by component



Considering just the UNIDO portfolio, the distribution among components is more equitable: 38% of financial resources are allocated in the sustainable industrial parks component, and 32% are allocated in the value chain and enterprise development component. However, it is essential to mention that the same both GEF projects have the 57% of the total UNIDO's financial allocation.

Figure 3: PCP Peru: distribution of UNIDO Technical Cooperation (TC) by component



The main objective of the PCP is to mobilize external partners and additional resources to extend impacts and accelerate sustainable industrial development. During the implementation phase 2018-2021³, PCP Peru was able to mobilize USD 190.1 m, 91% of this total amount is parallel funding, and 73% is public funding.

Figure 4 shows the six projects of the PCP portfolio (out of 13 projects) that succeeded in committing parallel funding. The projects “Building human well-being and resilience in Amazonian Forest...” and “Sustainable industrial zone development in Peru” have the highest ratios of parallel funds, the largest size of total financial resources, and are the only two projects with government funding.

Figure 4: PCP Peru: portfolio overview (projects with parallel funding)

Project Title	PCP Component	Project End Date	% expenditures / budget	Total Resource Mobilization (USD)	% Public funds / Total funds	% Parallel Funds / Total funds	Donor
Partnership for Action on Green Economy (PAGE): Supporting Change for the Future We Want	INDUSTRIAL RESOURCE & ENERGY EFFICIENCY AND RENEWABLE ENERGY	31.12.2023	68.17	150,000	0%	31%	UNEP MPTF Partnership for Action on Green Trust Fund PAGE
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	VALUE CHAIN and ENTERPRISE DEVELOPMENT	31.07.2026	1.65	128,767,160	79%	96%	GEF
Sustainable industrial zone development in Peru	SUSTAINABLE INDUSTRIAL PARKS	31.05.2023	83.37	48,246,804	74%	91%	GEF
Strengthening the coffee and cocoa quality for exports from Peru	QUALITY AND INNOVATION	30.11.2022	72.47	2,359,914	0%	7%	Switzerland (SECO)
Global Eco-Industrial Parks Programme - Peru: Country Level Intervention	SUSTAINABLE INDUSTRIAL PARKS	31.12.2024	65.92	2,456,352	0%	13%	Switzerland (SECO)
Programme for Country Partnership, Peru - Fostering Productive Diversification	CROSS-CUTTING	31.12.2022	100.26	6,432,200	0%	86%	RPTC Partnership Trus Fund Peru China
TOTAL				190,146,255	73%	91%	

Source: UNIDO (2022). Peru. Programme for Country Partnership (PCP). Annual Report 2021

³ UNIDO (2022). Peru. Programme for Country Partnership (PCP). Annual Report 2021.

2. Evaluation objectives, methodology, and process

EVALUATION PURPOSE AND OBJECTIVES

Purpose: The primary purpose of the independent evaluation (TE) of PCP Peru is to assess the program's design against the PCP framework, the results and performance of PCP activities, and the extent to which PCP Peru contributes to transformational change in the country.

The evaluation is carried out as a forward-looking exercise, outcome, and impact-oriented, utilization-focused, and highly participatory. It seeks to identify best practices and areas for improvement and to draw lessons on how the PCP's performance and impact can be enhanced”⁴.

SUBJECT, SCOPE, AND FOCUS OF THE EVALUATION

The independent PCP Peru evaluation covered all UNIDO PCP-related interventions from 2016 to 2022⁵. It aims to provide triangulated evidence, generate key findings, draw lessons, and provide useful recommendations, including inputs for management to consider whether the PCP should be continued and under which conditions. These recommendations will lead to formulating of Management Action Plans (MAPs) to ensure concrete and traceable follow-up action.

The evaluation seeks to ascertain the relevance, coherence, effectiveness, efficiency, sustainability, and impact of PCP Peru and to assess to what extent it contributes to inclusive and sustainable industrial development in the country. A strong evaluation emphasis was put on the PCP as an innovative model and approach for UNIDO cooperation at the country level⁶.

The evaluation was guided by three main objectives, under which the evaluation criteria and questions are grouped:

- Objective 1: Assess the design of the programme against the PCP framework (criteria of relevance and coherence)
- Objective 2: Assess the results and performance of PCP activities (criteria of effectiveness and efficiency)
- Objective 3: Assess to which extent the PCP Peru contributes to transformational change in the country (criteria of impact and sustainability)

The evaluation covered the four components identified for PCP Peru, reflecting ISID, the SDGs, and the national priorities for 2016-2022, as highlighted in the ProDoc (December 2017⁷) and presented in Figure 5. The evaluation also looked at cross-cutting elements, such as gender mainstreaming and policy advice.⁸

⁴ UNIDO, 2022: Terms of Reference. Independent Evaluation of the Programme for Country Partnership in Peru. Page 8

⁵ Planned end date of the PCP Peru is December 2022.

⁶ UNIDO, 2022: Terms of Reference. Independent Evaluation of the Programme for Country Partnership in Peru. Page 9

⁷ UNIDO, 2017: Programme for Country Partnership for the Republic of Peru, 2017-2022

⁸ PCP Peru, Annual Report. Page 5

Figure 5: PCP components in Peru



Concerning the PCP's time horizon, the independent terminal evaluation covered the program's inception phase (2016 -2017) and implementation phase (2018-2022).

EVALUATION METHODOLOGY

Evaluation approach and primary source of evidence

The evaluation uses a theory of change approach to trace the path of how the intervention leads to results based on the PCP theory of change developed at the PCP mid-term evaluation. This approach is particularly helpful in PCP Peru for three reasons: (i) it provides the analytical framework for answering the evaluation questions related to the design and contribution of the Programme, (ii) it makes explicit the assumptions behind the intervention showing how changes happen, which is especially relevant in Peru, and (iii) it identifies barriers to achieving objectives and drivers to accelerate changes.

The theory of change approach is combined with a “mixed-methods approach” to collect evidence from various sources of information. A case study was to be developed, and the selected project would be part of the key source of evidence. However, the evaluation revealed that the chosen project was still in its earlier implementation stage, reaching still few companies and providing little evidence about results, likely impact, or sustainability. Hence, the case study approach was abandoned during the evaluation process.

The evaluation team triangulated data and ensured an evidence-based assessment.

Data collection methods

Inception calls with UNIDO staff and National Coordinators

During the evaluation's inception phase, the evaluation team undertook virtual meetings with key UNIDO stakeholders in Vienna and the Colombia Country Office. Also, the evaluation team managed to interview all previous National PCP Coordinators.

The interviews were beneficial in obtaining inputs on context aspects, key actors, and main projects that should be considered during the evaluation. The list of persons interviewed during the inception phase is in Annex F.

Virtual data collection

The primary data collection was undertaken virtually. The evaluation team gave priority to key stakeholders and it was also included other critical stakeholders to the extent possible (see stakeholder mapping in Annex C and the list of key informant stakeholders interviewed in Annex F):

- Strategic interviews on the PCP with
 - the main participating ministries such as PRODUCE;
 - main government agencies involved in the PCP priority sectors;
 - key development partners contributing to the PCP, such as SECO and GEF;
 - key UN country team members such as the UNRC and relevant project partners such as FAO and IFAD;
 - business sector involved in the PCP, such as the “Sociedad Nacional de Industrias”(SNI)
- Assessment of one UNIDO project closely aligned to the PCP: The national evaluator also interviewed companies participating in the “Sustainable Development Industrial Zone Project” and a consultant provider that is giving technical assistance at the project.

Documents and websites review

The OneDrive for the PCP Peru evaluation contains the following categories of documentation:

- ProDoc
- Annual Reports 2017-2021
- General information about the PCP concept
- Background documentation such as relevant UNIDO policies, UNIDO Annual Reports, Information about ISID, and UN documentation related to Peru
- UNIDO Project portfolio in PCP sectors
- Relevant past evaluations, such as the 2017 PCP mid-term evaluation, the Terminal evaluation of the PCP in Ethiopia (2019)

For the project document review, a “document review template for early findings and key evidence” is used (Annex D). The evaluation team used data collected with the template for the portfolio analysis as part of the main evaluation phase.

Semi-structured interviews took place with UNIDO Management and UNIDO Project Managers at HQs.

Analytical framework

Evaluation framework

The evaluation matrix or framework, outlining the evaluation objectives, criteria, and questions, provided the analytical framework of this evaluation. Data was collected, analyzed, and processed along these objectives, criteria, and questions, which are summarized in the evaluation framework presented in Annex B.

The evaluation team used the “document review template for early findings and key evidence” contained in Annex D as an interim product. The template provided a systematic way of collecting key evidence from the document review.

TC portfolio analysis of UNIDO TC projects and context analysis

The context analysis sought to understand the environment in which PCP Peru was developed. It gave an overview of the political, economic, and organizational factors that the evaluation should consider to assess the design, performance, and contribution of the Programme; moreover, to chart the Programme's future course of action.

This context scanning is vital in Peru during the evaluation period 2016-2022. During that time, Peru has been through a political instability situation (7 Presidents, 16 Ministers of Production) and a COVID-19 pandemic that affected priorities and influenced the government's strategic and operational decisions regarding industrial and competitiveness policies at different phases. In this context, PCP Peru aims to foster partnerships and to give technical support to the government, trying to reach convergence between the Programme and the government's objectives. The results of these efforts in terms of design, implementation, and relationships among stakeholders should be analyzed according to this waving context.

Context Information was collected and organized for the evaluation period and covered the following aspects:

- Country political context: change of authorities, government's challenges, and opportunities
- Country socio-economic situation: macroeconomic indicators, social indicators (employment, poverty)
- Country relevant government policies, strategies, and initiatives: related to competitiveness, industry, and PCP Peru's components.
- PCP Peru's organization and milestones: management aspects and main milestones.

This analysis is presented as early findings in the "Context analysis template" in Annex E. The list of documents revised is included in Annex F, as part of the list of documents reviewed.

EVALUATION TEAM

The evaluation team consists of four members, two independent evaluation consultants, and two staff members of UNIDO's Independent Evaluation Unit in the Office of Evaluation and Internal Oversight.

LIMITATIONS

Figure 6 lists the main evaluation limitation and the evaluation team's mitigation measures.

Figure 6: Evaluation limitations and mitigation measures

Limitation	Mitigation measures
<ul style="list-style-type: none"> Fragmentation of PCP management and stakeholders due to frequent changes at the national level and in Peru. Views often expressed only reflected a short period of PCP implementation time, which resulted in, at times, contradicting perceptions. 	<p>Disaggregation of data by stakeholder groups. Triangulation of documentation and UNIDO views with the reality on the ground.</p>
<ul style="list-style-type: none"> UNIDO PCP coordination office was in a state of funding uncertainty and eventually abandoned operations prematurely, which affected stakeholder reach. 	<p>The personal network of the national evaluator counterbalances this limitation.</p>
<ul style="list-style-type: none"> Due to the increasing political instability towards the end of the data collection in December 2022, access to some national stakeholders in government was impeded 	<p>The evaluation team invited stakeholders up to three times for interviews to allow each stakeholder to participate in the evaluation.</p>
<ul style="list-style-type: none"> No joint field visit of the evaluation team 	<p>Data collection was undertaken virtually. The national evaluator also participated in an event to meet stakeholders in Lima.</p>

3. Country and PCP background

During the evaluation period 2016-2022, Peru has been through a political instability situation (7 Presidents, 16 Ministers of Production) and a COVID-19 pandemic that affected the government's priorities and decisions regarding industrial and competitiveness policies at different phases. In this waving context, PCP Peru aims to foster partnerships and to give technical support to the government, trying to reach convergence between the Programme and the government's objectives.

3.1 Country context

Overview

Peru is the fourth biggest country in the Latin America and Caribbean (LAC) region in terms of the size of its territory. It has a population of 33,4 million, and almost 30% live in the capital Lima due to a strong internal migration process developed over the last 80 years. Analphabetism still affects 5.2% of the population nationwide, but in the rural area, it reaches 12,8 % compared with 3.4% of the urban area. During COVID-19, poverty increased by 5.7% compared with 2019 (pre-pandemic), affecting 39,7 % in rural areas and 22,3% in urban areas in 2021 (32.5% of the population of the Mountains, 26.4% in the Jungle, and 22.1% on the Coast) (INEI, 2021b)

The diverse, enriched, and complex geography of Peru holds some spatial challenges that are related to one of the structural problems that Peru has to address: the development disparities along the territory and population due to the concentration of economic activities and opportunities in the capital Lima (World Bank, 2017).

Economic development

During the last decades, Peru has experienced economic growth due to solid macroeconomic fundamentals that are still in place (low public debt to GDP ratio, considerable international reserves, and Central Bank with credibility). During 2020, due to the COVID-19 pandemic, GDP fell by 11.1% but recovered in 2021 by 13.3%, led by manufacturing, construction, and services.

For the following years, recent national forecasts estimate an average growth of less than 3% in a more challenging environment (higher interest rates, slowdown of domestic demand due to low business confidence, lower growth of trading partners, volatile energy prices, and internal tension and conflict) (World Bank, 2022). According to the Multiannual Macroeconomic Framework 2022-2025, Peru's economy activity would be supported by higher mining exports and non-mining investments stimulated by the execution of infrastructure projects prioritized at the National Infrastructure Plan for Competitiveness (PNIC) (52 projects in Transport and Communications, Agriculture, Sanitation, and Energy sector, with a value of almost USD 25 billion). Poverty is forecast to remain above pre-pandemic levels in the next two years, but the quality of employment is expected to deteriorate.

Peru has maintained responsible fiscal policy management, which served to face the COVID-19 crisis in recent years. After the significant Covid-related stimulus, fiscal policy is expected to gradually reduce to 1% by 2026. Public debt is also projected to remain stable at around 35%.

Dependence on primary exports makes the country vulnerable to external shocks. Around 72% of the total exports are traditional (agricultural⁹, fishing, mineral, petroleum, and natural gas), while 28% are non-traditional¹⁰ (agricultural and livestock, fishing, textile, chemical, non-metallic mineral, jewelry, and other manufacturing), which still reflects challenges in the product sophistication in the country.

Industrial development strategies

During the last decade, the Government of Peru has been implementing different strategies, plans, and reforms related to industrial development, but faced a lot of challenges to sustain them as a priority.

One milestone was the National Plan for Production Diversification, launched in 2014, which was aimed at promoting the diversification of the country's production structure. The PNPD wanted to facilitate the emergence of new industries (e.g., wood, aquaculture, fishing, tourism, textile, etc.); to create and strengthen the Centers of Innovation and Technology Transfer (CITE); to promote financial tools to increase MSME productivity and innovation; to strengthen the quality infrastructure to improve private sector productivity (e.g. INACAL); and to develop and promote Industrial Parks; among others. While the National Program for Production Diversification was created for the implementation of the PNPD, this program is now mainly focused on the promotion and development of specific productive infrastructure (public, such as the industrial park of Ancón-Lima; and private, such as initiatives in Tacna, Moquegua, Ica and Pucallpa) related to food markets and industrial parks.¹¹

Peru has also a National Competitiveness and Productivity Plan 2019-2030 that includes some measures related to the creation of a national strategy for the development of industrial parks; the generation of a circular economy and clean production agreements and roadmaps in the fishing and agricultural sectors and the use of renewable energies.

The National Exporter Strategic Plan 2025 shares the strategy of promoting productive diversification and deepens the implementation of mechanisms that strengthen the development of diversified and mainly non-traditional exports. This Plan has strong support from private sector and has been relatively successful to maintain a consistent priority and implementation along the time

Recently, in November 2022, the National Industrial Development Policy (PNDI) was approved. UNIDO gave advisory services to PRODUCE during the design process. The PNDI has established four priority objectives for the manufacturing sector, focused on: (i) the productivity of companies, (ii) the complexity of manufactured products; (iii) an adequate industrial productive infrastructure and specialized services; and (iv) the quality of the institutional and regulatory environment. To achieve these objectives in 2030, the PNDI will consider providing 43 services with the participation of different public entities.

⁹ Peru has become one of the leading agro-alimentary exporters in Latin America and the Caribbean over the last 20 years and is close to being included in the ranking of the top 10 fruit exporters in the world (Mincetur, 2021). Peru ranked 1st in 2020 among the countries that export blueberries, asparagus, and quinoa; 2nd place in the export of grapes, the 3rd place in the export of avocados; and the 4th place in the export of mangoes (MEF, 2021).

¹⁰ BCRP. Nota Semanal N° 8 – 2023, Table 67.

¹¹ PRODUCE recently announced that it will incorporate La Chutana Industrial Park into the National System and into the Global Eco-Industrial Parks Project (GEIPP) that has been developed with UNIDO and SECO.

Development challenges facing the country

Political context

Political instability is one of the main current challenges in the country. In the last seven years, Peru has had seven presidents. Clashes between Congress and the Executive Power, and a generalized perception of corruption in the public sector (8 Presidents face judicial proceedings for corruption, and Peru ranked 105° out of 180 countries in the Transparency International Ranking) contribute to political instability that clouds future vision, weakens institutions and delays economic and social development (in 2021, the economic damage of corruption, estimated by the General Comptroller's Office of Peru, was 13.6% of executed total national budget).

In 2020, the Covid-19 pandemic triggered a health crisis to which Peru could not respond effectively in a broken political environment. In 2021, a new President and Congress were elected and political discussions were prioritized over gap-closing discussions. After an attempt of declaring a coup and the appointment of the new president in December 2022, massive current protests are claiming new elections for president and Congress, taking the country to a still uncertain political fate.

Informality and innovation capacity

Informality and innovation capacity are critical structural challenges that limit the productivity and the potential development of the country. According to Peru's national statistics office, the informal sector produces less than a fifth of the total GDP (18% of total GDP), with more than half of the total workers of the economy (56%), which shows its low productivity compared to that of the formal sector (INEI, 2021). Regarding economic activities, in agriculture and fishing, 86% of its GDP comes from the informal sector; in mining and manufacturing, 1% and 12% of their respective GDP come from the informal sector.

Informal workers are employed in the informal sector and in the formal sector (salaried workers, family workers) as well. In 2021, 76,8% of the population employed in Peru are in an informal situation, reaching 95% in rural areas and around 71% in urban areas, which reveals the level of vulnerability of informal workers to external shocks and the magnitude of the labor productivity gap.

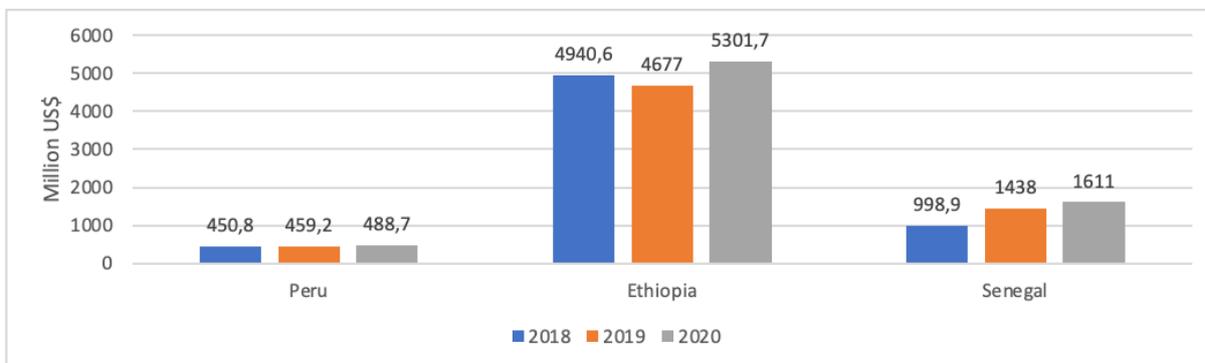
Innovation capacity is a key factor for increasing productivity. Peru ranks 65° (out of 132 economies) on the Global Innovation Index 2022 of WIPO¹², having as its main challenges the Information Communication Technology (ICT) access (98°), ICT services exports (112°), university-industry collaboration (109°), scientific and technical research (108°), among others. Investment in R&D by private firms is still very small and it is estimated at 0,03% of GDP (National Census for Research and Development to Research Centers, 2016). In the manufacturing sector, efforts to innovate are materialized through the acquisition of capital goods (69.2 %), and engineering, design, and other creative activities (13.5 %) (National Survey of innovation in the manufacturing industry and intensive service companies in knowledge, 2019), showing large opportunities of gaining productivity in the country.

¹² World Intellectual Property Organization

3.2 ODA and the United Nations

As a Middle-Income country, Official Development Assistance (ODA) is moderate in Peru. Figure 7 compares ODA to Peru between 2018 and 2020 with other PCP pilot countries, Ethiopia, and Senegal, reflecting the low levels of ODA flows to Peru.

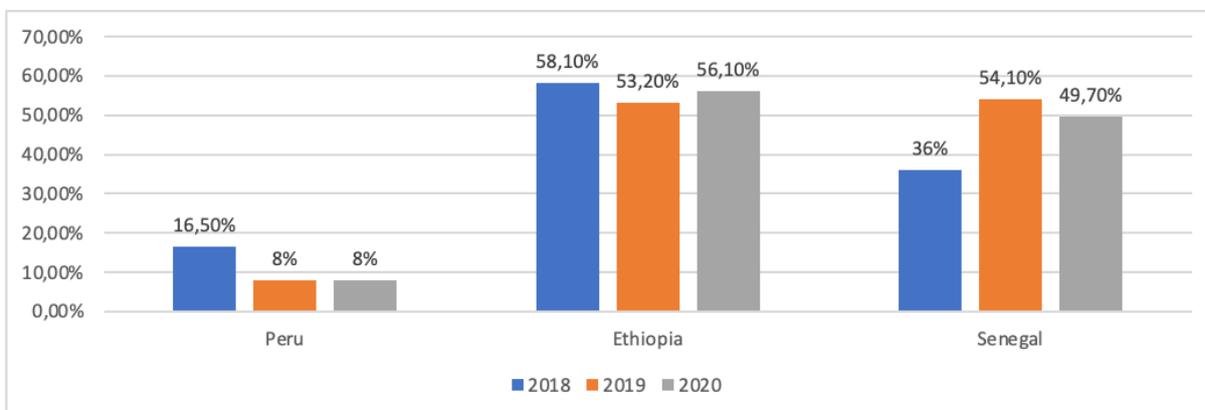
Figure 7: ODA flows to PCP pilot countries 2018-2020



Source: OECD, 2023 <https://www.oecd.org/countries/peru/aid-at-a-glance.htm#recipients>

At the same time, the share of multilateral ODA to Peru, relevant for the United Nations, has dropped below 10% in 2019 and 2020, which is significantly lower than in Ethiopia and Senegal, as shown in Figure 8.

Figure 8: Multilateral ODA flows to PCP pilot countries 2018-2020



Source: OECD, 2023 <https://www.oecd.org/countries/peru/aid-at-a-glance.htm#recipients>

Concerning SDG 9, with UNIDO being its custodian, 9% of the UN interventions in Peru focused on SDG 9 in 2021, comprising 1% of the UN budget. Under the UNDAF 2017-2021, SDG 9 is addressed under Direct Effect 3, Efficiency public management and confidence in institutions. UNIDO does not figure as a UN agency participant under this Direct Effect in the 2021 Annual Report.¹³

¹³ Naciones Unidas Perú, 2021: 2021 Informe de resultados de las Naciones Unidas en el Perú, page 18.

3.3 UNIDO and the PCP in Peru

United Nations Sustainable Development Cooperation Framework for Peru 2022-2026

The United Nations System (UNS) operates in Peru through UN agencies, funds, and programmes (AFP) which the Resident Coordinator leads. All these organizations have a presence in Peru based on the country's development priorities providing support according to their specialty through technical cooperation projects, research applied to development, and technical support for developing national capacities, among other mechanisms.

The United Nations Sustainable Development Cooperation Framework (UNSDCF) is the reference document that articulates the government's expectations regarding the work of the UN in the country. In Peru, the UNSDCF 2022-2026 contains the commitment of the UNS to contribute to the Peruvian Government's strategies to reach the 2030 Agenda and the Sustainable Development Goals (SDG) as well as the national development priorities. The UNSDCF is aligned with the Vision of Peru to 2050, approved by the National Agreement Forum, the Strategic Plan for National Development, the 2030 Agenda, and National Policies, among other national strategic elements.

This document is a roadmap that has four strategic priorities: (i) the Well-being of people and equal access to opportunities; (ii) Environmental management, climate change management, and disaster risk management; (iii) Competitiveness and inclusive and sustainable productivity; and, (iv) effective democratic governance and equitable exercise of citizenship. To achieve the objectives of the UNSDCF 2022-2026, the UNS in Peru has defined different coordination mechanisms, such as the United Nations Country Team (UNCT). UNCT is led by the Resident Coordinator and composed of the Heads of the UN AFPs operating in the country and is responsible for the coordination and operational management of programs and activities in the country, including the UNSDCF.

The United Nations Industrial Development Organization (UNIDO) is one of the organizations of the UNS whose focus is to promote industrial development for poverty reduction, inclusive globalization, and environmental sustainability. UNIDO, through the PCP Peru, contributes to UNSDCF in strategic priority 2 (Environmental management, climate change management, and disaster risk management) and 3 (Competitiveness and inclusive and sustainable productivity) with active participation in the UNCT activities in the country, providing technical inputs and analyses and co-leading the Direct Effect 5 (Strategic Priority 3), referred to competitiveness and inclusive and sustainable productivity of the new framework.

UNIDO and PCP in Peru

UNIDO's mission is to promote and accelerate inclusive and sustainable industrial development (ISID) in the Member States. UNIDO meets the industrial development needs of its Member States through a variety of programmes, projects, and services that promote social inclusion, economic competitiveness, and environmental sustainability, as well as cross-cutting activities in the fields of industrial statistics, research and policy, and the promotion of knowledge networks and institutional partnerships. The PCP is the main UNIDO programme to support countries in accelerating inclusive and sustainable industrial development, based on a multi-stakeholder partnership to ensure synergies, generate impact, and contribute to national priorities.

UNIDO and the Government of Peru initiated the design of the Programme in 2015, and the implementation phase started in 2018 through technical projects framed in PCP's four thematic priorities: (i) quality and innovation; (ii) value chain and enterprise development; (iii) sustainable industrial parks and zones, and; (iv) Industrial resource and energy efficiency and renewable

energy. Moreover, two cross-cutting areas were identified: policy development and gender mainstreaming. Based on an extensive identification phase and consultation process, UNIDO developed 14 project proposals.

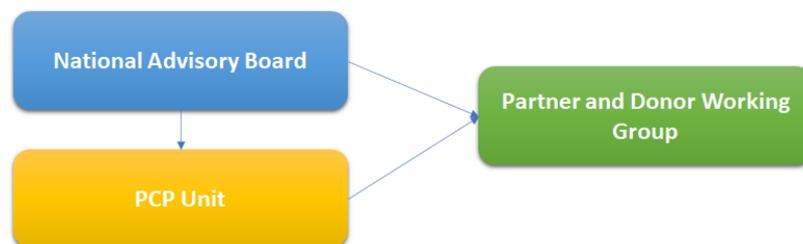
The PCP's components and projects contribute to objectives and initiatives prioritized in the National Plan of Competitiveness and Productivity 2019-2030, mainly to the priority objectives 3, 6, and 9 of the plan, which aim to generate capacities for innovation, adoption, and technology transfer, create conditions for a productive business environment and promote environmental sustainability in the operation of economic activities. UNIDO, through the PCP, provides advisory services and technical assistance and facilitates coordination among the partners involved and national governing bodies.

In terms of Governance and to ensure the effective implementation of initiatives, the PCP Peru is managed by UNIDO's Representative for Peru, Colombia, Guyana, and Suriname, based at the Regional Office in Bogota, who leads the coordination and implementation of the programme together with a multidisciplinary technical team based at UNIDO's headquarters in Vienna. In addition, a national PCP Coordination Office is located at the premises of the Ministry of Production in Peru.

Moreover, to facilitate the coordination of PCP activities, along with resource mobilization and partnership formation, three instruments were established: the National Advisory Board, the PCP Unit, and the Partner and Donor Working Group (see

Figure 9).

Figure 9: Operational Structure of PCP Peru



Source: UNIDO. Programme for Country Partnership for the Republic of Peru 2017-2022. December 2017

The National Advisory Board (NAB) was designed to involve high-level representatives from private and public organizations related to the promotion and implementation of industrial development initiatives and provides strategic guidance during the PCP implementation process. However, in 2019, the Ministry of Production (PRODUCE) established a Multi-Sectoral Commission through a Presidential Decree to take on the strategic role of the PCP Advisory Board which its members are public institutions like the Ministry of Production, the Ministry of Foreign Affairs, the Ministry of Foreign Trade and Tourism, the Ministry of Environment, and the Ministry of Transport and Communications.

The Partner and Donor Working Group (PDWG) is the main coordination mechanism for the Government of Peru, bilateral and multilateral partners, including financial institutions, and UNIDO, to foster resource mobilization and investments for the PCP. It was established in 2021, led by the Ministry of Production, and includes representatives from public institutions, technical and financial cooperation representatives, partners and donors, private sector associations, and financial organizations.

Related to the budget, by the end of 2021, the total PCP Peru financial volume was higher than US\$190 million, as presented in Figure 10. Funding for PCP Peru technical assistance amounted to about US\$ 16 million, managing a portfolio of 13 projects in total (all ongoing). Cumulative investments and co-funding leveraged by 2021 were US\$ 173 million, which includes public and private resources (In-kind: USD25 million; public: USD138 million; loan: USD10 million and grant: USD172 thousand).

Figure 10: PCP Peru Financial figures

Concept	Description
UNIDO Projects with funding secured (completed and ongoing)	Total number of projects within the framework of the PCP: 13 Total funding secured: USD 16,340,878 (by the end of 2021)
Total investments leveraged (cumulative)	USD 173,805,378 (by the end of 2021)
Total PCP volume	USD 190,146,255 (by the end of 2021)

Source: UNIDO. Peru: Programme for Country Partnership (PCP). Annual Report 2021. May 2022.

In terms of the distribution of resources among the PCP thematic priorities, 67.7% of the total PCP financial volume was allocated to projects and initiatives related to the value chain and enterprise development component, in particular through resources leveraged for the project “Building human wellbeing and resilience in Amazonian forests by enhancing the value of biodiversity for food security and bio-businesses, in a context of climate change” whose objective is to advance the conservation of healthy and functional forests and wetlands resilient to climate change, maintaining carbon stocks, preventing GHG emissions, and generating sustainable and resilient local livelihoods.

In addition, 26.7% of PCP resources financed initiatives in the sustainable industrial parks component, mainly in the project “Sustainable Industrial Zone Development in Peru,” which aims to enhance regulatory mechanisms for sustainable industrial zone development and increased adoption and diffusion of low-carbon and clean technologies and practices, to reduce unintentional POPs (u-POPs), greenhouse gases (GHG), air pollutants and improve sound chemicals management in the Constitutional Province of Callao as a sustainable industrial zone. This project has allocated resources of PCP, public and private sector, and international cooperation organizations. Also, 3.9% of the resources were allocated to cross-cutting areas, 1.2% to quality and innovation, and almost 0.5% to industrial resources and energy efficiency, and renewable energy.

4 Evaluation findings

This section presents the findings on the three evaluation objectives: i) assessment of the design of the programme against the PCP framework (relevance and coherence); ii) assessment of the results and performance of PCP activities (effectiveness and efficiency); and iii) assessment of PCP contribution to transformational change in Peru (impact and sustainability).

4.1 Objective 1: Assessment of the design of the programme against the PCP framework (relevance and coherence)

Under the evaluation objective 1, this section assesses the following components based on the following evaluation questions:

- 1) PCP Peru design and implementation compared to the core feature of the PCP model,
- 2) Synergies built into the PCP design,
- 3) Gender and youth;
- 4) Environmental and social safeguards;
- 5) The added value of the PCP; and
- 6) Strategic fit to the UN Sustainable development cooperation framework.

Data sources were the document review and interviews.

Key findings:

- PCP Peru design and implementation compared to core feature of the PCP model: the required pre-conditions contained in the PCP framework for undertaking a PCP in Peru were not in place (five out of six pre-conditions not met) and the assumptions for a successful PCP implementation not holding (seven out of eight assumptions not valid).
- Synergies build into the PCP design: On paper the PCP design aimed to generate synergies between the project portfolios, which had to be created for the PCP. However, interaction between projects seemed rather limited during PCP implementation.
- Gender and youth: Gender figured to varying extent in PCP interventions while youth is practically absent.
- Environmental and social safeguards: Environmental safeguards were a focus for PRODUCE. UNIDO and GEF put emphasis also on social safeguards screening of projects, while current and former government representatives were less explicit about the importance of social safeguards for PCP projects.
- Added value of the PCP: In a context of an unclear industrial strategy and a changing political environment, the PCP Peru added value by filtering, highlighting and giving continuity to priorities through technical assistance and policy advisory.
- Strategic fit to the UN Sustainable development cooperation framework: The PCP Peru fits into the United Nations Sustainable Development Cooperation Framework (UNSDCF), which was, however, only signed well after the PCP design, in September 2021. UNIDO TC projects in the country are under PCP Peru umbrella, assuring on paper the coherence – from the design perspective - among UNIDO TC projects, the PCP Peru, the National Development Plans and the UNSDCF.

4.1.1 Design and implementation of PCP Peru compared to the core features of the PCP model: validity of the theory of Change

When the PCP Peru was signed in December 2015, it did not benefit from a standardized PCP planning framework, including a Theory of Change. It was only developed during the PCP mid-term evaluation in 2018. The pre-conditions and assumptions for PCPs were de facto developed or clarified after the PCP document was prepared and signed. Based on this context, Figure 11 provides an overview of the pre-conditions for UNIDO engagement in a PCP, followed by the assumptions in the PCP Theory of Change in Figure 12.

Figure 11: Generic PCP pre-conditions and level of compliance in Peru

Pre-conditions	Assessment	
PC.1		
<ul style="list-style-type: none"> Strong Government ownership and commitment at the highest national authority level 	An outgoing government signed the PCP in December 2015. Hence, the new authorities lacked a high level of ownership and commitment to implement the PCP from its start. Besides, the role of the President or other high-level government representatives in supporting the PCP remains unclear. This context was combined with a lack of an industrial strategy in PRODUCE.	HU
<ul style="list-style-type: none"> Strong ministry of industry commitment is required but not sufficient pre-condition 	The vice minister of PRODUCE changed after the elections, and the commitment of the new vice minister and the many vice ministers to come during the PCP implementation had to be created and recreated repeatedly. Overall, the commitment was very uneven.	U
<ul style="list-style-type: none"> Financial resource allocation from the Government to PCP 	The PCP operated initially on unspent Peruvian government funds from the UNIDO General Conference in December 2013. The PCP national coordinator and the assistant were paid by government funds and, after initial housing in SNI, also housed by the government (in PRODUCE). The PCP national coordinator and assistant worked at times without a contract or being paid. In 2022, the government funding for the PCP coordination was delayed and the payment of EURO 87.000 materialized only in January 2023. Hence, the office had to close prematurely in September 2022.	MU
PC.2		
<ul style="list-style-type: none"> Government is willing and has the capacity to take the leadership in the PCP 	As stated under PC 1, the signature of the PCP by an outgoing government was an inheritance too heavy to shoulder for the PCP. PRODUCE was an insufficiently strong ministry, engaged in turf battles with other ministries. Due to the many changes in the vice minister, PRODUCE's leadership was weak during the PCP implementation period.	U
<ul style="list-style-type: none"> The Ministry of finance is required to play a leading role in resource and partner mobilization 	PCP failed to involve the Ministry of Finance as a strategic partner despite many efforts.	HU

PC.3		
<ul style="list-style-type: none"> Some basic infrastructure must be in place 	Peru has a total of 175,053 km of roads, and 141,557 km (86%) of roads are unpaved. On average, 91% of households nationwide have at least one member who owns a telephone (within the Lima Metropolitan Area, 95%, and in the rest of the country, 89%). More than 76% of households nationwide have access to internet service ¹⁴ .	S

In hindsight, the evaluation finds that the required pre-conditions contained in the PCP framework for undertaking a PCP in Peru were not in place (five out of six pre-conditions not met) and the assumptions for a successful PCP implementation not holding (seven out of eight assumptions not valid). The results are largely based on evaluation interviews. Previous evaluations of projects in Peru or the Peruvian component of global projects lacked reference to the PCP. A divergence showed between the largely positive and forward-looking PCP progress reporting and the reality on the ground, as reconstructed for the duration of the PCP in this evaluation.

Based on the PCP Theory of Change and the PCP framework, the evaluation finds that the PCP model did not work in Peru. The focus was to intervene project by project. Despite significant efforts, the PCP failed to create stable ownership of a comprehensive strategy at the country level for multiple reasons. Those reasons included political instability, a non-empowered government counterpart suffering frequent leadership changes, and UNIDO's heterogeneous country engagement approach. This cavity was combined with the government's hesitance to develop an industrial policy vision, which former senior staff defended in evaluation interviews. At the same time, it was among the key assumptions for any UNIDO PCP.

Figure 12: List of PCP key assumptions in the PCP Theory of Change

Assumptions	Comment	
A.1 UNIDO has the capacity and resources at the HQ level to play the coordination and convening role among development partners	The evaluation is doubtful whether PCP benefitted from continuous HQ support. It certainly did not result in a coordination and convening role among development partners. For example, the good working relationship between UNIDO and IFC in Vienna did not translate to coordinating activities in the PCP in Peru. The capacity to manage the PCP from headquarters and later by the URs in Colombia showed limitations.	U
UNIDO has the capacity and resources at the country level to play the coordination and convening role among development partners; this includes the assumption that UNIDO has the capacity to support resource mobilization for governments	Initially, the PCP lacked an understanding of the cultural context of operating in Peru. Knowledge of the protocols and idiosyncrasy of navigating through public entities was not optimal. UNIDO did not sufficiently reach the development partners in Peru, for example, IFC and World Bank. A coordination or convening role did not materialize, despite the PCP coordinator's participation in the UNCT meetings. The Inter-American Development Bank did not recall UNIDO's PCP. UNIDO's resource mobilization capacities were insufficient, given a lack of a country office, the absence of an established and extensive project	U

¹⁴ <https://www.trade.gov/country-commercial-guides/peru-infrastructure-development>

	portfolio, and missing partnerships with relevant counterparts in the country.	
A.2 UNIDO internal coordination between different departments is functioning (required to play a credible coordination and convening role with external partners)	At HQ, UNIDO departments had diverging interests and priorities concerning PCP Peru. They supported the PCP unevenly. The governance structure with HQ and later the Colombia UR supporting the PCP coordinator was not fully understood, and the PCP coordinator lacked, at times, empowerment.	U
A.3 Government willing to give UNIDO facilitation role (with regard to coordination and convening role)	Government ownership of the PCP was low from the start, and the PCP coordinators spent significant time explaining and “selling” the PCP to new governments. The understanding of UNIDO’s and PRODUCE’s role in the PCP differed, as revealed during the evaluation. The lack of a long-standing and systematic engagement from both sides led to multiple initiatives and processes, proliferating the overall PCP concept. This limitation strongly affected UNIDO’s facilitation role.	U
A.4 Partners are in principle willing to engage and interested to invest	The PCP concept with the government in the driving seat to support the search for project funding had to be repeatedly explained to new counterparts each time the vice minister of PRODUCE changed. PRODUCE and other government stakeholders were used to receiving projects with a budget attached, and their willingness to invest was uneven. Funders such as the IFC could have invested in the PCP if projects had been part of a global UNIDO-IFC programme. This was not the case.	U
A.5 National industrial development strategy is convincing to partners	Peru lacked a National industrial development strategy at the time of the PCP start. Despite PCP’s push to support the development of such a strategy, PRODUCE did not see this as a priority.	HU
A.6 Context-related assumptions: political stability in the country	Since the start of the PCP in December 2015, Peru has experienced seven changes of presidents, the latest change taking place in December 2022.	HU
A.7 Context-related assumptions: enabling economic environment, i.e., demand for goods and services produced in priority sectors	The PCP did not identify priority sectors as such but focused on thematic areas such as quality and innovation or sustainable industrial parks. Enterprises' demand to participate in projects, for example, under the sustainable industrial parks component, was mixed while it was high in the coffee and cocoa project.	MS

While this assessment might appear harsh, it is based on systematically addressing the PCP assumptions and pre-conditions. The latter were largely not met, despite moments during the PCP implementation where progress seemed possible, for example, in the commitment and leadership of PRODUCE.

Lessons learned: access to financing in middle income countries One known lesson confirmed from the PCP Peru is the struggle to access financing from IFIs but also banks, which is not unique to Peru but a common UNIDO experience when operation in middle income countries, such as Cambodia. The good access to finance in Morocco, another middle-income country benefitting from a PCP is due to strong government funding, rather than IFI’s or banks.

UNIDO was appreciated for the dissemination of information and for holding events. However, the collaboration lacked a common project and a long-term vision. A perception emerged that UNIDO was more focused on coordinating with the government than the private sector. Expectations of cooperation between the PCP and SNI were sub-optimally managed. While SNI expected a long-term relationship with UNIDO through the PCP and provided office spaces at the onset of the PCP implementation, UNIDO did not use SNI infrastructure for its PCP events but preferred to rent other venues instead. Hence, a sense of lack of mutual understanding of the cooperation agreement showed, with SNI choosing to work with UNIDO in Vienna rather than the PCP in Lima.

The evaluation finds that this suboptimal private sector engagement in Peru was particularly affecting the PCP relevance, as the private sector commitment could have outweighed, to some extent, the unstable political situation, as mentioned by one former PRODUCE Vice minister.

“The PCP lacked a government champion in Peru over an extended period of time due to frequent political changes, including PCP focal points. At the same time, there a few donors in the middle-income country. The World Bank, GIZ or AECID have a country representation and they are simply quicker to convert ideas into concept notes and projects”.

Source: PCP stakeholder

Engaging international financial institutions

The evaluation witnessed a solid global relationship between UNIDO and the IFC. The common agenda includes industrial zones and industrial parks. IFI’s investments in Peru are strategic because of the infrastructure financing, such as ports. The reason why IFC did not contribute to PCP financing in Peru was the choice of project locations where priorities did not meet. Besides, IFC cooperation should have an anchor programme, often a global one. The ILO’s Better work programme with multiple country implementation serves as an example.

4.1.2 Synergies built into PCP design

The PCP design aimed to create synergies between the project portfolio in a context where a project portfolio was largely inexistent before the PCP in Peru. From a donor perspective, enhancing a strategic relationship between UNIDO and PRODUCE through the PCP showed systemic relevance for industrial development in Peru and strengthening PRODUCE’s capacities. The same applies to synergies between projects funded by the same donor under the PCP.

Stakeholders are split concerning the extent to which synergies were created. UNIDO staff and consultants in HQ, Colombia, and Peru experienced different degrees of coordination, ranging from regular monthly meetings with 15 to 20 persons for PCP status updates and joint planning to a complete absence of such meetings resulting in a lack of knowledge about the PCP portfolio.

“The monthly PCP meetings with staff and consultants, were very useful and I felt always well informed”.

“There were no synergies with other projects. I have never participated in a PCP coordination meeting and are unaware about them. It is difficult to find synergies without knowledge about other projects”.

Sources: UNIDO project managers

For three UNIDO stakeholders, the donor’s project approach determined its implementation in Peru, which happened independently of having a PCP in the country or not. Coordination and searching synergies would have appeared forced and created additional complexities. Hence, their pursuit was not actively undertaken.

Having the same focal point in PRODUCE, UNIDO’s government counterpart for the PCP, for the two projects under the Sustainable Industrial Parks component was highly beneficial from a governance perspective. Developing a concept for sustainable industrial zones was cross-cutting, as well as the regulatory framework development for industrial parks. However, from the implementation and beneficiary’s perspective, little interaction showed between the two projects, despite PRODUCE leading both projects. In fact, stakeholders were unclear about the roles of UNIDO and PRODUCE.

Government stakeholders from projects, for example, under the Quality and Innovation component, had relatively little insight into the PCP, and coordination happened independently from the PCP.

The PCP’s focus on an Industrial Policy for Peru could have served as a cross-cutting initiative to create synergies across the PCP project portfolio. UNIDO’s policy team developed a framework for the PCP to support the government. However, PRODUCE did not show interest in such a policy, as it was not deemed a national priority and instead was interested in specific projects.

4.1.3 Gender and youth in PCP interventions

Gender figured to varying extent in PCP interventions while youth is practically absent.

Youth: Out of the fifteen stakeholders responding to the evaluation question, one stated that the PCP interventions did contain a youth focus. The only PCP project addressing youth is “Strengthening the coffee and cocoa quality for exports from Peru” (project number 180151) under the Global Standards and Quality Programme (GSQP), which fits under the PCP component 1, quality and innovation. The project trained young persons to assess coffee quality to become tasters of specialty coffees. As part of this endeavor, young persons participated in an international competition in Italy in 2022, funded under the project.

Gender: Stakeholders were divided over the extent to which gender was addressed across the PCP project portfolio. While initially, the PCP treated gender as a cross-cutting component, its actual mainstreaming depended on the nature of the projects.

Under the Sustainable Industrial Parks component, gender was not a priority, according to the project stakeholders¹⁵. The Quality and Innovation component, however, used a gender lens for training and the selection of experts, aiming to find a gender balance in the SECO-funded GSQP

¹⁵ Project number PER 150061 (Sustainable industrial zone development in Peru) and PER 180318 (Global Eco-Industrial Parks Programme - Peru: Country Level Intervention).

project (project number PER 180151). Also, depending on the part of the value chain, gender aspects are figured differently. The project's work on laboratories addressed more women, given their strong presence in laboratories, while to support of cooperatives targets men and women more equally due to their more balanced representation.

Under the Value Chain and Enterprise Development component, the GEF-funded project (project number PER 190176)¹⁶ undertook a gender assessment as a GEF requirement. Finally, the Industrial Resource & Energy Efficiency and Renewable Energy component treated gender to some extent under the PAGE project.

The footprint of the cross-cutting global Economic Empowerment of Women in Green Industry project¹⁷ in Peru seems less strong. The evaluation did not find evidence to what extent women were targeted in Peru in this global project.

4.1.4 Environmental and social safeguards

Environmental safeguards were a focus for PRODUCE and checked in general for the projects under the PCP. UNIDO and GEF also emphasized social safeguards screening of projects, while current and former government representatives were less explicit about the importance of social safeguards for PCP projects.

Environmental safeguards: The eco-industrial parks project (PER 180318) prioritizes topics such as the circular economy and energy efficiency. The project's focus on developing a circular economy baseline is an example.

At the same time, the evaluation found that the project's targeting of carbon emission reductions did not meet the needs of all enterprises in the industrial park. Depending on the type of industry, topics of industrial toxic waste or waste waters had higher environmental priorities. As the number of enterprises with intensive energy use is limited in the targeted parks, this also limits the project scope and reach to about 20 enterprises.

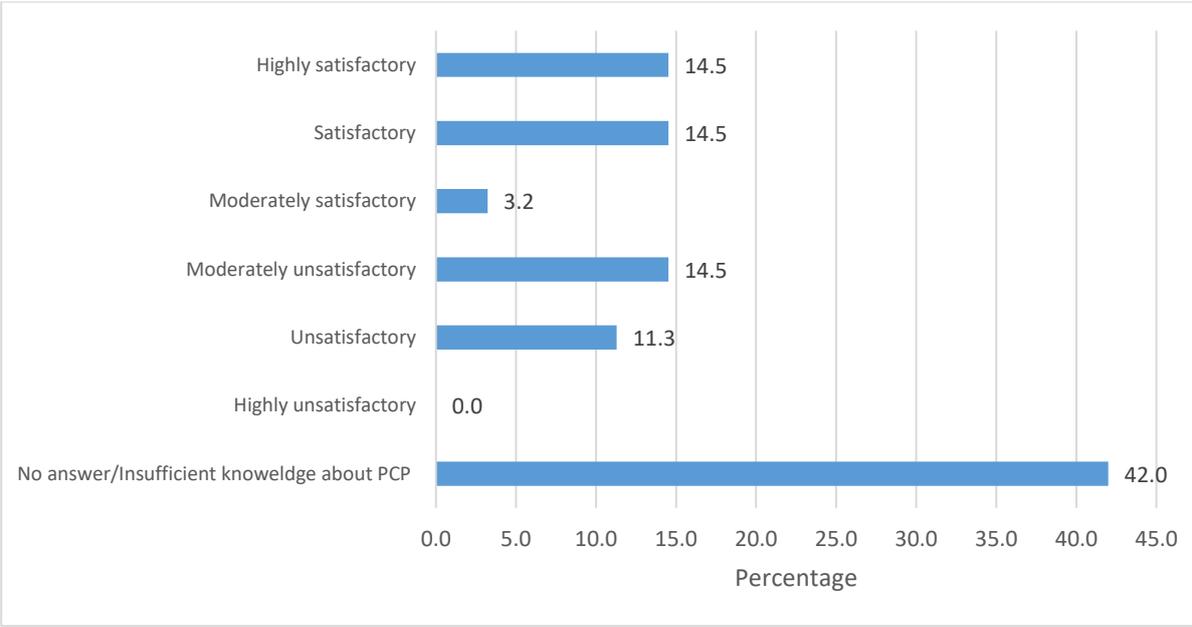
4.1.5 Quantitative results

Figure 13 contains a summary of stakeholders' assessment of PCP Peru's relevance based on interviews (n=31). The quantitative data confirms the qualitative evaluation results and provides further insights. 42% of respondents were unable to evaluate the relevance of the PCP. At the project level, stakeholders were largely unaware of the PCP. Even key counterparts of projects were unsure about the nature of the PCP and its meaning, which is a proxy indication of the low visibility of the PCP and its relevance. The 29% of highly satisfactory and satisfactory stakeholders were mainly UNIDO staff and consultants. In comparison, the 25,8% of stakeholders providing moderately unsatisfactory and unsatisfactory ratings were predominantly national or other non-UNIDO stakeholders.

Figure 13: PCP Peru - perception of stakeholder relevance

¹⁶ 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

¹⁷ Project number GLO 170065



Source: Final PCP evaluation interviews, 2022; n=31

4.1.6 The added value of the PCP Peru to the country's national development strategies

In a context of an unclear industrial strategy and a changing political environment, the PCP Peru added value by filtering, highlighting, and giving continuity to priorities such as industrial parks, quality standards, and energy efficiency, in line with the *Bicentennial Plan Towards 2021 and the National Plan of Competitiveness and Productivity 2019-2030*.

The evaluation finds that, in the absence of an industrial country's vision and a prioritized guiding industrial plan, the PCP was a helpful tool to (i) filter changing project demands from different stakeholders along the time and (ii) sustain a portfolio of flagship initiatives through technical assistance (e.g., baseline studies, assessments, and roadmaps) and policy advisory (e.g., the PCP Peru influenced the inclusion of the National Strategy for Industrial Parks Development and the National Circular Economy Road Map as Policy Measures 6.3 and 9.3, in the new National Plan of Competitiveness and Productivity 2019-2030).

The alignment of capacities, interests, and objectives between the Government of Peru and the PCP was a continuous challenge. The reason is that those national development strategies supposed to be a guiding reference for the PCP coherence experienced an erratic government priority during the PCP evaluation time. Examples include The *Plan Nacional de Diversificación Productiva*, the *Agenda de Competitividad 2014-2018*, the *National Plan of Competitiveness and Productivity 2019-2030*, and the *Bicentennial Plan 2021*, which had, on average, deficient government ownership during the evaluation period¹⁸. On the contrary, the PCP Peru served as a valuable instrument to give coherence and content – bounded to the PCP project portfolio- to the theoretical national development framework, albeit stakeholders stated that an integrated and coherent industrial agenda could have been better achieved with a more interconnection of projects and donor's strategies.

4.1.7 United Nations Sustainable Development Cooperation Framework and PCP's strategic fit

The PCP Peru has been developed in line with the priorities outlined by the United Nations Sustainable Development Cooperation Framework (UNSDCF or former UNDAF). The evaluation finds that UNIDO TC projects in the country are under the PCP Peru umbrella, assuring on paper the coherence – from the design perspective - among UNIDO TC projects, the PCP Peru, the National Development Plans, and the UNSDCF. The latter was signed only in September 2021.

The PCP Peru expects to contribute to the UNSDCF through improved environmental sustainability of the economy (e.g., reduced CO2 emissions and improved management of chemicals and hazardous materials) and enhanced institutional and entrepreneurial capacities for innovation and quality. However, the essence of PCP Peru's strategy to reach these results by implementing related projects, engaging the private sector, establishing partnerships for upscaling technical cooperation services, and leveraging additional resources is still aspirational.

¹⁸ Lack of M&E of results and targets, the program nacional de diversificación productiva has other mandates.

Alignment of PCP Peru and UNSDCF 2022-2026

According to the PCP Peru Annual Report 2021, PCP Peru served to reinforce UNIDO’s presence and participation in the definition of the new UNSDCF 2022-2026 in the country (signed in September 2021). UNIDO’s comparative advantage, as well as the partnership developed with the UN development system (UNDS), and the more active participation of the PCP national coordinators, resulted in UNIDO being invited to co-lead Strategic Priority 3 on “inclusive and sustainable competitiveness and productivity” of the new UNSDCF. As a result, the PCP Peru manager stated that the whole UNIDO TC projects are now under the PCP Peru umbrella, assuring coherence in the design of UN instruments.

Implementation of PCP strategy to reach UNSDCF’s results

PRODUCE was supposed to lead an industrial country’s vision and to appropriate the PCP as an instrument to create synergies and strategic alliances for implementing policies to stimulate job creation and increase the economy’s competitiveness. Some stakeholders experienced that PRODUCE could not articulate a cross-country industrial vision but promoted its agenda. That perception of PRODUCE’s role as a focal point affected coordination and synergies among national actors and, therefore, affected the expected implementation of the PCP Peru core strategy under the UNSDCF umbrella. While the PCP succeeded in joining some strategic alliances among UN sister agencies (e.g., FAO-IFAD-UNIDO biodiversity project, or ILO-UNIDO for PAGE project), the PCP PERU coordination and convening mission and upscaling impacts for contributing to a more inclusive and competitive Peruvian economy were challenging.

“PRODUCE need to work to become a leader in productive and industrial issues”.

“Leadership is extremely relevant. It is important to select correctly the focal point team in Peru as [UNIDO’s] counterpart”.

Sources: PCP stakeholders

4.2 Objective 2: Assessment of the results and performance of PCP activities (effectiveness and efficiency)

Evaluation objective 2 addresses the following aspects of the PCP related to its effectiveness and efficiency: Key PCP results; results for women and effects on human rights and social inclusion; key drivers and barriers for PCP results achievement; UNIDO's contribution to the accomplishment of PCP objectives and its comparative advantage; suitability of PCP governance structure and stakeholder ownership; implementation of mid-term recommendations; and adaptability of PCP to external factors, including COVID-19.

Key findings: The PCP's effectiveness was strongly affected by its weak governance structure.

- PCP Peru succeeded in leveraging the positioning of UNIDO in the country as a reference in industrial development policies, in helping the government to mobilize global resources equivalent to USD20 million, to develop and sustain a prioritized industrial project portfolio with a focus in industrial parks, quality standards and resource efficiency. The expected strength of the PCP Peru related to the establishment of partnerships for upscaling technical cooperation services and impacts was not yet achieved.

In particular, the PCP Peru contributed to six key results: (i) Enhance the positioning of UNIDO in the country; (ii) promote policy changes (e.g. industrial parks, circular economy and handling electronic waste), (iv) institutional strengthening (e.g. National Institute of Quality, CITE network); (v) increase capacity building (public workers, consultants and projects' beneficiaries) and (vi) raise awareness (e.g. conference, forums), through specialized studies (e.g. assessments, masterplans), instruments (e.g. technical guides, database), equipment, technical assistance and pilot projects.

At the level of the project portfolio, 100% of the projects are still ongoing, therefore, most of the results are activity, output, or process results.

- Due to the uneven consideration of gender and marginally addressing human rights and social inclusion in the PCP design, related results are very limited.
- The main driver of the PCP in Peru was a highly committed minister of PRODUCE who championed the PCP for seven months before scheduled elections resulted in a change of government. Barriers to achieving PCP objectives which were related to the national context (frequent changes of counterparts in PRODUCE, little interest of governments inheriting PCP) and UNIDO (lack of country office and project portfolio and PCP management issues).
- UNIDO succeeded in providing technical advisory and technical assistance on sustainable industrial development policies, in which it is widely recognized that it has its main comparative advantage. UNIDO's support roles to the government in stimulating synergies and in mobilizing resources of donors and private investors are still challenging.
- The PCP governance structure was frail, disempowered and lacked consistently high leadership in PRODUCE.
- The level of implementing the mid-term evaluation recommendations in the PCP Peru was low. Out of a total of 20 relevant recommendations, only five were fully implemented, six recommendations were partly implemented, and nine recommendations were not implemented.
- The PCP Peru rapidly adapted to COVID-19 pandemic and political and institutional changes, applying a contingency plan that served as a mitigating factor and assured the continuity of technical work.

4.2.1 Key PCP results

The evaluation finds that PCP Peru succeeded in leveraging the positioning of UNIDO in the country as a reference in industrial development policies, in helping the government to mobilize global resources equivalent to USD20 million, to develop and sustain a prioritized industrial project portfolio with a focus in industrial parks, quality standards, and resource efficiency. The expected strength of PCP Peru related to the establishment of partnerships for upscaling technical cooperation services, which had not yet been achieved. Figure 14 presents the key PCP Peru results.

Figure 14: Key PCP Peru results

Results	Evidence
Policy changes	<ul style="list-style-type: none"> (a) Approval of the national policy for industrial parks (b) Guidelines for the promotion and management of industrial parks (Ministerial Resolution No. 204-2021) (c) Changes to regulations of the National System of Industrial Parks (Supreme Decree No. 015-2021-PRODUCE); (d) Road map for Circular Economy in the Industrial Sector (Supreme Decree No. 003 – 2020 – PRODUCE); (e) Complementary Provisions to the Supreme Decree N° 009-2019-MINAM that approves the Special Regime for the Management and Handling of Waste Electrical and Electronic Equipment (D.S. N° 035-2021-MINAM).
<i>Institutional strengthening</i>	<ul style="list-style-type: none"> (a) Accreditation Directorate of INACAL (training and action plan - GQSP) (b) Strengthening of the “Environmental Information System” (SIZ), (c) circular economy on CITE’s network (evaluation – WEEE)
<i>Capacity building</i>	<ul style="list-style-type: none"> (a) Governmental staff, consultants, women, and men are trained in industrial park issues (SIZ, GEIPP), (b) Training in gender equality ((EEWiGI).
Awareness raising	<ul style="list-style-type: none"> (a) International Conferences on “Industrial Parks for Inclusive and Sustainable Industrial Development” (2019); “Towards a Modern Industrial Development Policy for Peru,” “The potential of renewable energies and their impact on regional productive development,” third International Plastics Industry Congress. (b) Specialized studies: Potential demand for quality services in the coffee and cocoa chains, diagnosis of the capacities in compliance with quality standards of 9 cooperatives, evaluation of 17 testing laboratories (GQSP); Opportunities for bio-businesses, evaluation of value chains for Amazonian products, analysis of trout, tilapia and amazons fishes (GEF-biodiversity, aquaculture); assessment and development of the sustainable industry zones regulatory framework, sustainable industrial Zone Definition and financial and non-

	financial mechanisms for sustainable industrial zones in Peru (SIZ, GEIPP); degree of gender mainstreaming in green industry policy frameworks with policy priorities identified and assessment of coordination spaces for the generation of ISID (EEWiGI).
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Source: UNIDO PCP Annual Report 2019, 2020, 2021

In particular, the PCP Peru contributed to six key results, as shown in Figure 14: (i) Enhance the positioning of UNIDO in the country; (ii) promote policy changes (e.g., industrial parks, circular economy, and handling electronic waste), (iv) institutional strengthening (e.g., National Institute of Quality, CITE network); (v) increase capacity building (public workers, consultants, and projects' beneficiaries) and (vi) raise awareness (e.g., conference, forums), through specialized studies (e.g., assessments, masterplans), instruments (e.g., technical guides, database), equipment, technical assistance, and pilot projects.

At the project portfolio level, all projects are still ongoing (all 13 projects are still running). Therefore, most results are activity, output, or process results.

4.2.2 PCP results for women, effects on human rights and social inclusion

The evaluation struggled to find evidence about PCP results for women and its effects on human rights and social inclusion.

Given the uneven inclusion of gender in the PCP portfolio and the lack of implementing a cross-cutting gender component, the evaluation finds that PCP Peru was largely gender-blind. The same applies to human rights and social inclusion.

Component 1: quality and innovation:

UNIDO reported under the GSQP project (project number PER 180151) a focus on women when supporting and training staff in laboratories, where women predominantly benefitted. The project support of cooperatives targeted men and women more equally due to their more balanced representation. The evaluation could not verify specific results, as the project was not visited as part of the PCP evaluation.

Component 2: Value chain and enterprise development.

It is too early to assess the results of the GEF-funded project (project number PER 190176), as it is still in its inception phase.

Component 3: Sustainable industrial parks.

The evaluation failed to find evidence of results concerning gender, human rights, and social inclusion in the PCP's component 3.

Component 4: Industrial resources and energy efficiency:

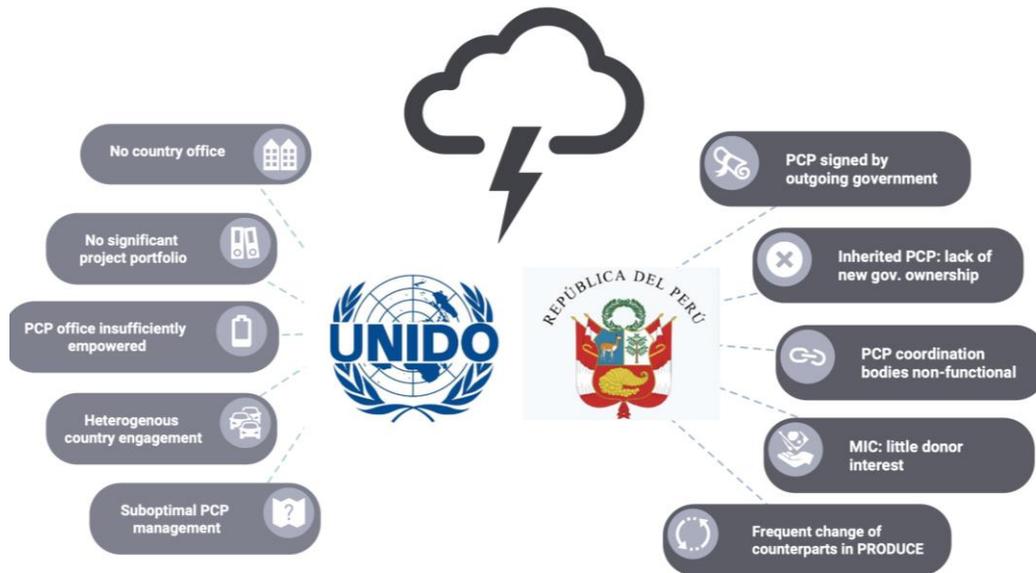
The PAGE projects targeted gender aspects, with women benefitting, for example, from training.

4.2.3 Key drivers and barriers to achieving the objectives of the PCP

The main driver of the PCP in Peru was a highly committed minister of PRODUCE who championed the PCP for seven months following the PCP inception till July 2016. He decided on PCP priorities according to Productive Diversification Plan. Besides, the PCP acted as an antenna of cooperation. Even though project funds came from different sources, some projects were designed and negotiated by the PCP (for example, the projects on eco-industrial parks and sustainable industrial zones and the GEF biodiversity project). In contrast, others followed the donor design regardless of the PCP.

Figure 15 summarizes the barriers to achieving PCP objectives related to the national context and UNIDO.

Figure 15: Main barriers to achieving PCP objectives



Source: Final evaluation, 2022

National context

One of the main design flaws of the PCP in Peru was signing an agreement with an outgoing government about six months before the presidential elections. As a result, the new administration lacked ownership of the PCP. A lack of consistently high interest of PRODUCE in the PCP negatively affected the National Coordination body for the PCP, which met only once, and the donor working group. Both coordination bodies remained non-functional.

Those barriers emerged in the context of the highest political instability in the country. The PCP witnessed a frequent change of counterparts, for example, vice ministers of PRODUCE. In the seven years of PCP implementation, Peru experienced seven presidents with seven different administrations.

Finally, in the context of a middle-income country (MIC), challenges emerged for accessing development funding due to little donor engagement, as previously stated in this report.

UNIDO

The mid-term evaluation had already found that among the PCP pilot countries, UNIDO lacked a country office for its PCP in Peru. At the same time, UNIDO benefitted from a large regional hub in Ethiopia and a country office in Senegal.

Besides, UNIDO embarked upon the PCP in Peru without a strong project portfolio. Hence, UNIDO was less known to key stakeholders in the country and had to establish contacts and cooperation practically from scratch.

The PCP office, initially housed in SNI and subsequently in PRODUCE, was not sufficiently empowered. Different UNIDO departments tried to negotiate bilaterally with the government, and projects tried to report directly to HQ due to the perception of a weak PCP structure. At the same

time, PCP management aimed to control the omission of the PCP function in communication and reporting.

Finally, the evaluation found a suboptimal UNIDO PCP management. While involved personnel worked hard on the PCP, interviews revealed that some staff struggled to understand Peru's political and cultural context fully. Consequently, while having the best intentions, they undermined partnerships unintentionally and hampered PCP implementation. One example is the PCP's unfortunate engagement approach with the private sector.

"PCP Peru supervised portfolio activities but in practice, priorities and projects depended on different areas in UNIDO".

Source: PCP stakeholder

4.2.4 UNIDO's contribution to the achievement of PCP objectives and its comparative advantage

With the institutional support of the United Nations' credibility in the country, UNIDO succeeded in providing technical advisory and assistance on sustainable industrial development policies, in which it is widely recognized that it has its main comparative advantage. While UNIDO is on the right track in its role as an industrial development expert, UNIDO's support roles to the government in stimulating synergies and in mobilizing resources of donors and private investors are still challenging. The lack of a permanent physical presence in the country affected UNIDO's knowledge of the Peruvian ecosystem, which inhibited a more robust performance in coordination, resource mobilization, and convening roles.

UNIDO's contribution to the achievement of PCP objectives

UNIDO's positioning was supported by the UN's credibility, which was an asset for having incidence in specific priorities when discussing the PCP design and implementation with changing government counterparts. At the beginning of the PCP, UNIDO was not as known as other UN agencies in the country (e.g., UNDP and UNICEF were mentioned more by interviewees). As a result, UNIDO also benefited from PCP by increasing its level of positioning in the country, particularly with the government.

"PCP was complex from the beginning because wanted to be an articulator among actors that did not know much...UNIDO has expertise in productive and industrial development. It has a competitive and comparative advantage to give technical support"... "...however, PCP and UNIDO team should know and understand more what is happening at Peruvian regions".

"Comparative advantage of UNIDO is their experts in industrial development...but they do not design joint projects... European Union, for example, has other way of working, more open to co-design".

Source: PCP stakeholders

UNIDO's comparative advantage and roles

Stakeholders widely recognized UNIDO's expertise in industrial development design as its main comparative advantage. However, they expressed that UNIDO does not meet their expectations in their role of supporting the Government in the coordination among stakeholders (public-public, public-private) and in the facilitation of leveraging resources. Stakeholders revealed that UNIDO does not know the local actors and the evolution of the country's ecosystem, which inhibits its capacity to understand political and cultural relationships with stakeholders, apply a co-design working method, and facilitate coordination among public and private entities. Stakeholders (XXX out of 31 interviewees) think having a more permanent physical presence in the country could help UNIDO's learning process.

4.2.5 Suitability of PCP governance structure and stakeholder ownership

The evaluation identified UNIDO and PRODUCE, the PCP's main counterpart in Peru, as the main entry point to assess the suitability of the PCP governance structure and stakeholder ownership. Several points identified below correspond to the barriers to achieving PCP objectives.

UNIDO

The PCP governance structure was largely cost-efficient for UNIDO, as the national government funded the PCP staff. Office costs were initially covered by SNI and later on by PRODUCE. However, the evaluation finds that this might have been the only positive aspect of the PCP's governance structure. Besides, the dependency on government funding resulted in prolonged funding uncertainties and delays, with funds running out for the PCP coordination office in September 2022 and premature closure of the office before the official end date of the PCP.

UNIDO lacked the cultural and soft skills required when starting the PCP implementation, including an understanding of language codes, which created incomprehension among national stakeholders and, in the worst case, the rejection of the PCP.

The PCP missed empowering the National PCP coordinator. While UNIDO lamented a lack of recognition by country authorities, interviews revealed that the PCP coordinator was at times disempowered by line management in UNIDO. Besides, some projects were not keen to respond to an additional governance structure in the country rather than reporting directly to HQ.

In the absence of a country office, frequent travel from HQ and later from the Colombia country office seemed a caveat in the PCP's cost-efficiency. At the same time, the PCP suffered from delays in HQ's technical team responses. Those delays were interpreted as a lack of interest from certain stakeholders in HQ and Peru. A perception emerged of an "absence of UNIDO" in Peru.

PRODUCE

A varying level of ownership characterized the role of PRODUCE in the governance structure of the PCP. Depending on the vice minister in charge, PRODUCE ownership ranged from a lack of prioritization of the PCP to the unwillingness to involve other ministries. In the latter phases, PRODUCE did not share leadership.

The evaluation found that the PCP working group met only once due to the lack of national leadership. The same applied to the donor working group, where the perception emerged that PRODUCE preferred to call upon specific donors when necessities arise rather than playing a coordination function. Both initiatives remained without follow-up and failed.

The combination of significant shortcomings on UNIDO’s side with anchoring the PCP in a weak line ministry resulted in a frail PCP governance structure, negatively affecting PCP relevance, visibility, efficiency, and results achievement.

4.2.6 Implementation level of PCP mid-term evaluation recommendations

The mid-term evaluation made four types of recommendations for the UNIDO PCPs: i) concept-related recommendations; ii) recommendations related to structure and capacity; iii) recommendations related to the private sector; and iv) recommendations related to the expansion of the PCP.

Overall, the evaluation finds that the level of implementing the mid-term evaluation recommendations in PCP Peru was low. Out of a total of 20 relevant recommendations, only five were fully implemented (time horizon, alignment of projects to priority sectors, and inclusion of parallel funded activities). Six recommendations were partly implemented, and nine recommendations were not implemented.

Figure 16 presents the assessment of the implementation status of those recommendations using a traffic light assessment scale.

Figure 16: Implementation status of PCP mi-term evaluation recommendations in PCP Peru

Mid-term evaluation recommendations	Comment	Status
CONCEPT RELATED RECOMMENDATIONS		
UNIDO should better define the PCP concept:		
The indicative nature of the financial framework.	The PCP data allows for a calculation of project funding.	Partial
The inclusion of ‘parallel funded’ activities of other actors.	The PCP Peru project portfolio amounting to USD 190,1 m contains 91% of parallel funding	Full
Government's overall responsibility for the PCP.	Uneven understanding	Partial
UNIDO’s supportive role in resource mobilization for ‘parallel funding.’	91% of parallel funding was mobilized in Peru. All projects were located under the PCP.	Full
UNIDO’s supportive role in implementing large-scale ‘parallel funded’ projects.		Full

The long-term horizon of a PCP, particularly for higher level results (5-10 years) or more.	The PCP Peru had a seven-year implementation horizon.	Full
UNIDO to develop a theory of change for the PCP.	HQ developed the PCP theory of change and implementation guidance, which was, however, not used in Peru.	Partial
Establish realistic indicator targets and timeframes for higher-level results.	The logical framework lacks any targets. Hence, a results focus is omitted.	None
Establish accountabilities for achieving results.	The table listing PCP partners and counterparts in the PRODOC is comprehensive but clear accountabilities are missing	Partial
Use and make explicit reference to UNIDO KPIs were possible.	The reference to UNIDO KPIs is implicit.	Partial
UNIDO should develop and establish a PCP monitoring framework at the PCP programme level.	The PCP lacked a results-based monitoring plan, and in the absence of specific targets, results reporting seems unsystematic.	None
RECOMMENDATIONS RELATED TO STRUCTURE AND CAPACITY		
UNIDO to strengthen the PCP lead from UNIDO's side at the country level and assure a strong UNIDO country presence in PCP countries with "high-level leadership."	The PCP Peru did not benefit from a UNIDO country representative in Peru and lacked high-level UNIDO leadership in Lima.	None
Interaction with governments at the highest possible level.	Due to the lack of a UNIDO country presence in Peru and only remote UNIDO leadership (from HQ and then the Colombia UR), the frequency and flexibility of interaction with governments at the highest possible level were insufficient, and development partner outreach was suboptimal.	None
Outreach activities to development partners.		None
Alignment of UNIDO activities to PCP priority sectors.	All UNIDO projects were aligned under the PCP framework with its four priority areas.	Full
UNIDO TC project managers are to also report to the UNIDO Representative.	Projects were hesitant to add a reporting layer, mainly due to the perceived weakness of the PCP governance structure and its lack of decision-making power.	Partial
The 'high-level' PCP leader should be supported by a strong and dynamic 'Chief Operational Officer.'	The PCP lacked a 'high level' PCP leader in Lima, and the PCP coordinator took on the operational and technical PCP functions.	None
UNIDO should strengthen its capacity at the country level to support the resource mobilisation of Member States for PCP 'parallel funding,' in particular funding from development financial institutions (DFIs).	The engagement with DFIs remained without tangible results. The support of HQ in mobilizing DFI funding remained unclear.	None

UNIDO should keep advising and accompanying Member States in implementing large-scale PCP projects.	The PCP Peru lacked large-scale projects, and just at the end of the PCP, the GEF project was in its inception.	None
RECOMMENDATIONS RELATED TO THE PRIVATE SECTOR		
Member States (PCP countries) to give the private sector a stronger voice in the PCPs. UNIDO could further facilitate this process as needed.	PRODUCE's engagement with the private sector was patchy, and some firms were suspicious of PRODUCE's involvement in projects. UNIDO's relationship with the private sector was uneven, and the private sector expectations were not met.	None
RECOMMENDATIONS RELATED TO THE EXPANSION OF THE PCP	Not relevant for PCP Peru	

The mid-term evaluation contained eleven **concept-related recommendations**. Four recommendations were fully implemented (green), five recommendations were partially implemented (yellow), and two recommendations were not implemented (red).

The seven-year time horizon of the Peru PCP corresponds with the recommendation to base PCP's long-term horizon of a PCP in particular for higher level results and the recommendation fully implemented. The same full implementation status applies to the inclusion of parallel funded activities. UNIDO's support role in resource mobilization of parallel financing was successful for one large-scale project.

Partial implementation of recommendations appears for the indicative nature of the PCP's financial framework, the development and use of a PCP theory of change, accountabilities for achieving results, and explicit reference to UNIDO KPI. Also, the evaluation found that the government's overall responsibility for the PCP was based on an uneven understanding.

Two recommendations that were not implemented related to the PCP's logical framework in the PRODOC, which lacks targets and an omitted results focus, including for the PCP monitoring.

Out of the eight recommendations concerning the **structure and capacity of the PCP**, one was fully implemented, one was partially implemented, and six were not implemented.

All UNIDO projects were aligned under the PCP framework with its four priority areas. However, project managers were hesitant to add a PCP reporting layer, mainly due to the perceived weakness of the PCP governance structure and its lack of decision-making power.

The PCP Peru did not benefit from a UNIDO country representative in Peru and lacked high-level UNIDO leadership in Lima. As a result of the remote UNIDO leadership (from HQ and then the Colombia UR), the frequency and flexibility of interaction with governments at the highest possible level were insufficient, and development partner outreach was suboptimal. The engagement with DFIs remained without tangible results. The support of HQ in mobilizing DFI remained unclear.

The recommendation related to the **private sector** was not implemented. Recommendations related to the **expansion of the PCP** are not relevant for PCP Peru, as they referred to UNIDO's approach to increasing the number of PCP countries.

4.2.7 The adaptability of PCP Peru as a result of COVID-19 and other external factors

The evaluation finds that PCP Peru rapidly adapted to the COVID-19 pandemic and political and institutional changes, applying a contingency plan that served as a mitigating factor and assured the continuity of technical work.

COVID-19 challenges

The PCP Peru adapted quickly to the COVID-19 pandemic context, implementing a contingency plan and a *Socio-economic response and recuperation plan* (PCP Annual Report 2020), as presented in Figure 17. New activities were designed during that period (e.g., The National Strategy for Circular Economy in Industry, the development of Science and Technology Parks, as well as fostering the aquaculture sector in Peru). Administrative and technical measures were implemented to guarantee the continuity of ongoing projects, such as online meetings and training, diagnosis, assessment, and exchange of knowledge. The PCP Peru managed to continue and minimize COVID impacts. Moreover, at *Sustainable Industrial Zones (SIZ) Project*, one of the beneficiaries mentioned that during the COVID-19 pandemic, the company received a diagnosis of recommendations results that they decided to implement during that time.

Figure 17: Activities in ongoing projects during COVID-19

Ongoing projects	Activities during COVID
GQSP: Strengthening the coffee and cocoa quality for exports from Peru	A strict approval protocol for travels and face-to-face events. Contracting suppliers in the area that comply with sanitary protocols; block chain assessment.
Aquaculture value chain: Fostering regional coordination in aquaculture value chains for productive employment generation in Latin America and the Caribbean	Part of UNIDO's response to COVID-19 is job creation along the aquaculture value chain. Work plan adapted based on the health emergency and COVID-19 measures. Meetings with national counterparts to analyze impacts.
Sustainable Industrial Zone (SIZ)	Online training sessions, seminars, and meetings. Virtual technical assistance for Callao company and some on-site visits. PRODUCE offers them the opportunity to improve technical skills related to SIZ. To date, project companies have a high commitment level and appreciate their participation in SIZ activities.
WEEE: "Strengthening of National Initiatives and Enhancement of Regional Cooperation for the Environmentally Sound Management of POPs in Waste of Electronic or Electrical Equipment (WEEE) in Latin American Countries	Strong support to MINAM and Electrical and Electronic Equipment producers to meet targets. Committed to their management plans, despite the restrictions of the pandemic.
Accelerating SDG 9 implementation in Latin America and the Caribbean through South-South and triangular cooperation, networking, and partnerships."	Provision of a digital platform to create partnerships, exchange knowledge and build capacities among regional actors. First online regional meeting: national focal points of LAC countries focused on how to speed up the implementation of SDG 9 in the LAC and requested support in critical areas.

Source: UNIDO PCP Annual Report 2021

External factors

During the PCP evaluation period, Peru faced many political and institutional challenges. During the evaluation period 2016-2022. Peru has been through a political instability situation (7 Presidents, 16 Ministers of Production) that affected priorities, influenced the government's strategic and operational decisions regarding industrial and competitiveness policies at different phases, and delayed the rhythm of implementation of programmed activities. As a contingency measure, PCP Peru aimed to strengthen the relationship between the PCP middle management and the focal points at the technical level and to revise the government contribution for PCP (Annual Report 2020), which helped to ensure the continuity of technical work.

4.3 Objective 3: Assessment of PCP contribution to transformational change in Peru (impact and sustainability)

The final evaluation objective 3 addresses the following aspects of the PCP related to its impact and sustainability: PCP contribution to transformational change by advancing ISID in Peru; things that would have happened without the PCP concerning the country's advancement towards ISID, sustainability of PCP results and benefits after completion; sustainability of partnership established, including partners' financial commitments.

Key findings: Stakeholder perception about the PCP's impact is higher at the project level than for the PCP as a cooperation framework, while its sustainability seems low.

- The *likely* impact of the projects started under the PCP and still all under implementation relates mainly to process issues rather than transformational change;
- Seven years after the signature of the PCP agreement, advancements towards ISID would have shown little differences without the PCP in Peru. Significant differences emerge in the perception of UNIDO staff and national stakeholders;
- PRODUCE seems to be struggling to fulfil its mandate for continuing the industrial development agenda spearheaded in the PCP projects. Concerning the sustainability of specific PCP projects, the evaluation encountered the limitation that all projects are still in the design or implementation phase and the likely sustainability too early to be assessed;
- Some partnerships were established and nurtured in PCP projects but their lasting nature beyond the end of the projects is uncertain. At the broader PCP level, the partnership with PRODUCE depends on its unstable political leadership. Partners' financial commitments seems very limited beyond the established project portfolio.
- The PCP played a crucial facilitation role in launching the GEF project with FAO and IFAD, UN sister agencies which often compete. Concerning the financial commitment of the government till 2026 (USD 101,6m), this project is a major achievement of the PCP. However, the closure of the PCP coordination office directly affects the in-country funds mobilization support and therefore, UNIDO has stepped back from applying for new GEF projects in Peru.

4.3.1 PCP contribution to transformational change by advancing ISID in Peru

Stakeholders had mixed views about the impact of the PCP in Peru. The *likely* impact of the projects started under the PCP, which are still all under implementation, relates to process issues rather than transformational change. Those changes comprise the enhanced energy efficiency of several companies, punctual improvements in the quality of cocoa and coffee value chain for export, enhanced visibility of industrial parks, and environmental issues among policymakers, accompanied by capacity building of public entities.

National stakeholders often critiqued the cooperation framework at the programmatic level, while UNIDO stakeholders were significantly more satisfied, as reflected in the box below. The evaluation finds that stakeholder expectations were not met, but for continuity, the PCP offered the industrial development agenda in a period with over ten ministerial changes in PRODUCE. This result is also shown in Figure 6.

“The PCP enabled a continuity of industrial development agenda. This would not have happened with individual projects. The agenda is owned now in the country, for example, concerning the quality component and industrial parks”.

“Our alliance with private sector was very helpful as a strategy for lasting change.”

Sources: UNIDO PCP stakeholders

“The PCP did not contribute to any change in Peru”.

“PCP is a lost opportunity for industrial sector. With or without the PCP, nothing changed over the last couple of years”.

Sources: National PCP stakeholders in Peru.

4.3.2 What would have happened without the PCP concerning the country’s advancement toward ISID?

The evaluation finds that at the end of 2022, after seven years of PCP implementation, advancements towards ISID would have shown little differences without the PCP in Peru. Diametric differences shown in the perceptions of PCP impact between UNIDO staff and national stakeholders in Peru.

UNIDO staff stressed the size and volume of the project portfolio created under the PCP and Peru’s Industrial Park Policy containing a sustainability component. However, the impact of those projects still needs to be seen, and the results of policy implementation are too early to assess. Besides, stakeholders in Peru perceived that PRODUCE acted as a gatekeeper of the PCP, depleting UNIDO of the advantages of a broader partnership approach with a wide range of ministries and the private sector.

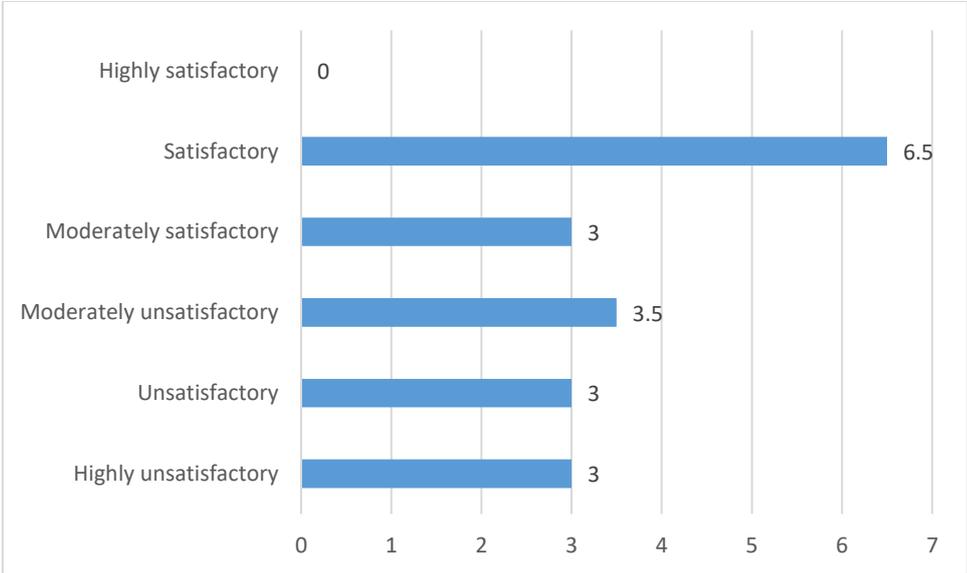
For INACAL, the UNIDO project served as a model intervention of how to include quality in a productive chain, which would not have happened without the UNIDO project. The latter strengthened INACAL and supported the standardization practices in its quality infrastructure system. The eco-industrial zones project catalyzed changes in companies that otherwise would have happened much slower and strengthened the environmental consciousness of entrepreneurs. However, both projects followed SECO’s choice of country priorities, and the projects would have been implemented in Peru independently of the PCP.

The SIZ project provided a standardized framework for action beyond isolated interaction with companies by providing common solutions for common problems, with final results still outstanding.

Figure 18 presents the stakeholder perception of the impact of PCP results with mixed results. Nine stakeholders had positive views, mainly UNIDO staff and stakeholders primarily related to

project activities under the PCP. Nine stakeholders had negative opinions about the impact of the PCP as a broader programmatic framework, mainly national stakeholders, and one stakeholder had mixed views.

Figure 18: Stakeholder perception about the impact of PCP results



Source: Final PCP evaluation interviews, 2022; n=19

4.3.3 The extent to which PCP results and benefits can be sustained after its completion

This sub-section focuses on the project level of lasting PCP results and benefits. Stakeholders agree that PRODUCE is mandated to continue the industrial development agenda spearheaded in the PCP projects once their donor-funded implementation ends. However, this leadership role seems uncertain due to PRODUCE’s marginal role in government, changing focal points for UNIDO projects, internal capacities issues in PRODUCE, and the continuous change of ministers, which affected the high-level political ownership of the PCP concept and the related projects in the ministry. Those hurdles existed even before the latest political crisis in Peru in December 2022.

From a national perspective, having projects under a common programmatic framework benefits a single government counterpart. Some national stakeholders suggested that projects would need to be of a larger financial volume and for a longer timeframe to justify the allocation of counterpart human and financial resources and to contribute to the sustainability of results through national ownership. However, the evaluation finds that the pre-conditions for such an approach were not given in Peru, as outlined in the relevance section of this evaluation report.

Concerning the sustainability of specific PCP projects, the evaluation encountered the limitation that all projects are still in the design or implementation phase. In the case of eco-industrial parks, IFC’s experience is that enterprises can reduce energy and water use by about 20%, which is a strong financial incentive to sustain those practices. However, credit lines are required for enterprises to replicate and upscale resource-efficient practices. It is uncertain to which degree this pre-condition of sustainability is given in Peru.

The PCP's convening power to facilitate coordination among the donor community was weak. It did not yield the expected results for the upscaling, replication, and sustainability, as observed, for example, in the quality component where coordination with SECO projects (unrelated to UNIDO) failed. Also, INACAL is short of financial resources to replicate the model implemented under the PCP project in the San Martin region in other parts of the country.

Some project implementation partners noted a lack of continuity in the exchange between PCP projects towards the end of the PCP and a fragmentation of the PCP approach. As such, UNIDO missed opportunities to use the PCP framework for catalyzing project results and contributing to their sustainability.

4.3.4 Sustainability of partnership established, including financial commitments of national and international partners

The evaluation finds that some partnerships were established and nurtured in PCP projects, but their lasting nature beyond the end of the projects is uncertain. At the broader PCP level, the partnership with PRODUCE depends on its unstable political leadership. Partners' financial commitment seems very limited beyond the established project portfolio.

The PCP played a crucial facilitation role in launching the GEF project with FAO and IFAD, UN sister agencies which often compete. Concerning the government's financial commitment till 2026 (USD 101,6m), this project is a major achievement of the PCP.

However, the closure of the PCP coordination office directly affects the in-country funds' mobilization support. Consequently, UNIDO has stepped back from applying for new GEF projects in Peru.

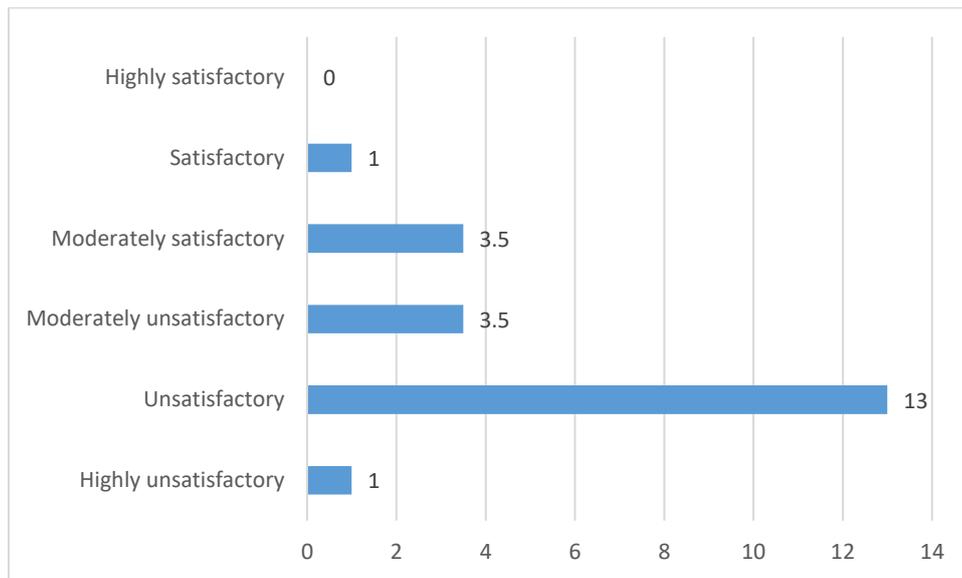
The evaluation finds that this is a significant limitation. To continue the industrial development agenda, following strong PCP support over the past seven years, PRODUCE's leadership role and a growing project portfolio would be required.

The UNIDO projects will continue in Peru regardless of the end of the PCP. From a donor perspective, the sustainability of the SECO-funded projects, for example, is still possible, given that the implementation of the GQSP and GEIPP projects is ongoing. Also, the relationship with UNIDO headquarters is very good. At the same time, there is an understanding that policy reforms at the country level require time to mature.

The private sector observed a lack of government ownership and capacity to pursue a valid industrial development agenda. At the same time, UNIDO's position seems to have weakened even before the closure of the PCP coordination office, lacking institutional support in Peru. It appears that the PCP missed the opportunity to create the foundations of a lasting partnership with the private sector, and its representatives, despite a promising start early on in the PCP.

Stakeholders' perception of the sustainability of the PCP results and the partnerships established is mainly negative, as shown in Figure 19. Seventeen out of 22 stakeholders shared negative views with the evaluators, four stakeholders had positive perceptions, largely regarding project results under the PCP, and one stakeholder had split views.

Figure 19: Stakeholder perception about the sustainability of PCP results



Source: Final PCP evaluation interviews, 2022; n=22

The evaluation witnessed the ending of the PCP in Peru in a state of uncertainty for PCP coordination funding and, subsequently, a premature shutdown of the PCP office in September 2022 before the official end of the PCP in December 2022. UNIDO received government funding only in January 2023. Official closure of the PCP, for example, an event, did not take place in Peru. Lessons or case studies have not been summarized and disseminated, as suggested by some national stakeholders. In this uncoordinated context, UNIDO omitted a structured handover process. The evaluation also missed a PCP exit strategy or a sustainability road map.

This fizzling out of the PCP in Peru constitutes a reputational risk for UNIDO and raises questions about UNIDO headquarters' interest in PCP Peru. Given that UNIDO now has received EURO 87.000 from the government, an ordered hand-over process and closure of the PCP seem feasible for 2023.

5 Conclusions, recommendations, and lessons learned

Table 20 in Annex A summarizes the main evaluation findings, conclusions, and recommendations.

5.1 Conclusions

Relevance: The PCP concept was developed in parallel with the PCP pilot in Peru. In the absence of specific PCP guidance at the beginning of the inception phase, the evaluation concludes that, in hindsight, Peru was ineligible to pilot the PCP concept, as the required pre-conditions and assumptions for implementing UNIDO's PCP concept were not met.

A gap appeared between the PCP design and reporting on the one hand and the reality in Peru on the other, with missed opportunities for more substantial synergies. This gap is due to the lack of knowledge of the Peruvian context, as UNIDO did not have a significant project portfolio and lacked a country presence.

Gender is less systematically included as a cross-cutting component and often appears as an add-on. The PCP is youth blind. Environmental safeguards were central to the PCP's main counterpart in Peru, while social safeguards figured less prominently.

Coherence: The PCP Peru served as a helpful instrument to sustain and give coherence and content to a bounded portfolio of flagship initiatives in an unstable political context. Coherence between PCP's strategy, UNIDO TC projects, and UNSDCF constituted a good fit. However, it would have been crucial for PCP Peru to accomplish its mission of coordination, convening, and upscaling impacts to ensure that the implementation of the PCP strategy leads to UNSDCF's results. That latter was highly challenging, as the pre-conditions for the PCP implementation were not given from the start.

Effectiveness: The PCP Peru succeeded in getting key results as a country program portfolio but seems to encounter more challenges in accomplishing its partnership mission. Elements not systematically included in the PCP design, such as gender, human rights, and social inclusion, yielded less prominent results. The PCP encountered more barriers, internal and external ones, than drivers for change.

While UNIDO is on the right track in its role as a provider of industrial expertise, UNIDO's support roles to the government in stimulating synergies and in mobilizing resources of donors and private investors are still challenging. The lack of a permanent physical presence in the country affected UNIDO's knowledge of the Peruvian ecosystem, which inhibited a more robust performance in coordination, resource mobilization, and a convening role.

Efficiency: Both the main PCP counterpart in Peru, PRODUCE and UNIDO, contributed to the suboptimal PCP governance structure, which affected the PCP implementation. The PCP Peru did miss the opportunity to use the PCP mid-term evaluation as an opportunity to address structural shortcomings and results achievement.

PCP Peru rapidly adapted to the COVID-19 pandemic, political and institutional changes, assuring the continuity of technical work, albeit the rhythm of implementing programmed activities slowed down.

Likelihood of impact: PCP contribution to transformational change by advancing ISID in Peru appears suboptimal. As the PCP project portfolio implementation is still less advanced, the difference the PCP makes for progressing ISID in Peru remains uncertain.

Likelihood of sustainability: The institutionalization of the PCP in Peru appears uncertain, and the sustainability of project results is too early to tell.

The PCP focused too much on its relationship with PRODUCE without giving sufficient and continuous priority to the private sector. The genuineness and sustainability of the partnership established are mixed. Significant funding as an indication of government commitment and ownership was mobilized for two out of 13 projects.

5.2 Recommendations

R1: UNIDO Management: UNIDO should prepare and implement an adequate exit plan for the PCP in PERU since the minimum pre-conditions established in the PCP framework are not in place.

R2: UNIDO Management: To further foster synergies and exchanges between the UNIDO projects and UNIDO cooperation in Peru, a results-based implementation of TC projects and services should continue in Peru, under the coordination of the UR for Peru (but not within a PCP framework). This should address issues and sustain opportunities and potential achievements, such as:

- The GEF-funded project in Peru lacks a UNIDO country presence since the PCP office was closed. Given that the GEF is expecting a UNIDO country presence for the project implementation period till 2026, alternative arrangements for a project coordination office are required to ensure UNIDO's fiscal presence in Peru.
- UNIDO should continue its cooperation efforts with UN sister agencies. An agreement should be promoted to speed up the implementation of common protocols, standards, and administrative procedures.

5.3 Management Action Plans (MAPs)

MAP: For efficiency and consistency of the approach, Management will address the above recommendations in the light of and together with the recommendations stemming from the forthcoming Independent Evaluation of the PCP Framework.

Responsible: GLO/RFO

Deadline: 3rd Quarter 2023

5.4 Lessons learned and good practices

Lesson 1: Establishing a PCP in a middle-income country encounters the challenges of limited donor presence and funding. This negatively affects large-scale resource mobilization from donors and international development banks.

Lesson 2: Designing a strategic partnership with an outgoing government bears significant risks of commitment. At the same time, building the partnership without the required enabling environment and suitable management structure constitutes an additional risk.

Lesson 3: To have a contingency plan and a flexible team to implement it is very helpful to anticipate and quickly adapt in case of unforeseen events.

Lesson 4: An UNIDO field structure was a pre-condition for a national GEF project which is a major source of income for UNIDO in Peru. The PCP can play an important facilitation role in this process.

Annex A: Summary of key evaluation findings, conclusions, and recommendations

Figure 20: Summary of key evaluation findings, conclusions, and recommendations

	Key evaluation findings by evaluation question	Conclusions	Topics for Recommendations and / or Lessons learned
RELEVANCE	PCP Peru design and implementation compared to the core feature of the PCP model: the required pre-conditions contained in the PCP framework for undertaking a PCP in Peru were not in place (five out of six pre-conditions not met), and the assumptions for a successful PCP implementation not holding (seven out of eight assumptions not valid).	The PCP concept was developed in parallel with the PCP pilot in Peru. In the absence of specific PCP guidance at the beginning of the inception phase, the evaluation concludes that, in hindsight, Peru was ineligible to pilot the PCP concept, as the required pre-conditions and assumptions for implementing UNIDO's PCP concept were not met.	UNIDO Senior Management: UNIDO should prepare and implement an exit plan for the PCP in PERU since the minimum pre-conditions established in the PCP framework are not met. UNIDO should factor in the PCP PERU experience and lessons drawn for its PCP framework. A results-based implementation of projects and services should continue in Peru, but outside the PCP framework.
	Synergies built into the PCP design: On paper, the PCP design aimed to generate synergies between the project portfolio which had to be created for the PCP. However, the interaction between projects seemed rather limited during PCP implementation.	A gap appeared between the PCP design and reporting on the one hand and the reality in Peru on the other, with missed opportunities for more substantial synergies. This gap is due to the lack of knowledge of the Peruvian context, as UNIDO did not have a significant project portfolio and country presence.	No recommendation.
	Gender and youth: Gender figured to varying extent in PCP interventions while youth is practically absent.	Gender is less systematically included as a cross-cutting component and often appears as an add-on. The PCP is youth blind.	No recommendation.
	Environmental and social safeguards: Environmental safeguards were a focus for PRODUCE. UNIDO and GEF also emphasized social safeguards screening of projects, while current and former government representatives were less explicit about the importance of social safeguards for PCP projects.	Environmental safeguards were central to the PCP's main counterpart in Peru, while social safeguards figured less prominently.	No recommendation.

	Key evaluation findings by evaluation question	Conclusions	Topics for Recommendations and / or Lessons learned
COHERENCE	<p>The added value of the PCP Peru to the country's national development strategy: In a context of an unclear industrial strategy and a changing political environment, the PCP Peru added value by filtering, highlighting, and giving continuity to priorities and activities through technical assistance (e.g., baseline studies, assessments, and roadmaps) and policy advisory (PCP projects were included in the National Plan of Competitiveness and Productivity 2019-2030).</p>	<p>The PCP Peru served as a helpful instrument to sustain and give coherence and content to a bounded portfolio of flagship initiatives in an unstable political context.</p>	<p>Good practice: Providing a solid PCP framework helped PRODUCE to focus on priorities despite frequent political changes.</p>
	<p>EQ6) United Nations Sustainable Development Cooperation Framework and PCP's strategy fit: The PCP Peru has been developed in line with the priorities outlined by the United Nations Sustainable Development Cooperation Framework (UNSDCF). UNIDO TC projects in the country are under the PCP Peru umbrella, assuring coherence – from the design perspective - among UNIDO TC projects, the PCP Peru, the National Development Plans, and the UNSDCF.</p> <p>The PCP Peru expects to contribute to the UNSDCF through improved inclusive and sustainable competitiveness and productivity. However, the essence of PCP Peru's strategy to reach these results by implementing interconnected projects, engaging the private sector, establishing partnerships for upscaling technical cooperation services, and leveraging additional resources is still aspirational.</p>	<p>Coherence between PCP's strategy, UNIDO TC projects, and UNSDCF constituted a good fit. However, it would have been crucial for PCP Peru to accomplish its mission of coordination, convening, and upscaling impacts to ensure that the implementation of the PCP strategy leads to UNSDCF's results. That latter was highly challenging, as the pre-conditions for the PCP implementation were not given from the start.</p>	<p>UNIDO UR in Colombia: Synergies among UN agencies - UNIDO should continue its synergy efforts with UN sister agencies. An agreement should be promoted to speed up the implementation of common protocols, standards, and administrative procedures.</p> <p>Lesson: Establishing a PCP in a middle-income country encounters the challenges of limited donor presence and funding. This negatively affects large-scale resource mobilization from donors and international development banks.</p>
EFFECTIVENESS	<p>EQ7) Key PCP results: The PCP Peru succeeded in leveraging the positioning of UNIDO in the country as a reference in industrial development policies, in helping the government to mobilize global resources, to develop and sustain a prioritized industrial project portfolio with a focus on industrial parks, quality standards, and resource efficiency. The expected strength of PCP Peru related to the establishment of partnerships for upscaling technical cooperation services and impacts was not yet achieved.</p>	<p>The PCP Peru succeeded in getting key results as a country program portfolio but seems to encounter more challenges in accomplishing its partnership mission.</p>	<p>No recommendation.</p>

	Key evaluation findings by evaluation question	Conclusions	Topics for Recommendations and / or Lessons learned
	<p>In particular, the PCP Peru contributed to six key results: (i) Enhance the positioning of UNIDO in the country; (ii) promote policy changes (e.g., industrial parks, circular economy, and handling electronic waste), (iv) institutional strengthening (e.g., National Institute of Quality, CITE network); (v) increase capacity building (public workers, consultants, and projects' beneficiaries) and (vi) raise awareness (e.g., conference, forums), through specialized studies (e.g., assessments, masterplans), instruments (e.g., technical guides, database), equipment, technical assistance, and pilot projects.</p> <p>At the project portfolio level, 100% of the projects are still ongoing. Therefore, most results are activity, output, or process results.</p>		
	EQ8) Due to the uneven consideration of gender and marginally addressing human rights and social inclusion in the PCP design, related results are very limited	Elements not systematically included in the PCP design, such as gender, human rights, and social inclusion, yielded less prominent results.	No recommendation.
	EQ9) The main driver of the PCP in Peru was a highly committed minister of PRODUCE who championed the PCP for seven months before scheduled elections resulted in a change of government. Barriers to achieving PCP objectives related to the national context (frequent changes of counterparts in PRODUCE, little interest of governments inheriting PCP) and UNIDO (lack of country office and project portfolio and PCP management issues).	The PCP encountered more barriers, internal and external ones, than drivers for change.	Lesson: Designing a strategic partnership with an outgoing government bears significant risks of commitment. At the same time, building the partnership without the required enabling environment and suitable management structure constitutes an additional risk.
	EQ10) UNIDO's contribution to the achievement of PCP objectives and its comparative advantage UNIDO succeeded in providing technical advisory and assistance on sustainable industrial development policies, in which it is widely recognized that it has its main comparative advantage. UNIDO does not meet stakeholders' expectations in its role of supporting the Government in the coordination among stakeholders and facilitation for leveraging resources, attributed to its low capacity	While UNIDO is on the right track in its role as a provider of industrial expertise, UNIDO's support roles to the government in stimulating synergies and in mobilizing resources of donors and private investors are still challenging. The lack of a permanent physical presence in the country affected UNIDO's knowledge of the Peruvian ecosystem, which inhibited a more robust	UNIDO UR: After the end of the PCP, the UR should aim to continue fostering synergies and exchanges between the UNIDO projects in Peru.

	Key evaluation findings by evaluation question	Conclusions	Topics for Recommendations and / or Lessons learned
	to understand political and cultural relationships among stakeholders in the country.	performance in coordination, resource mobilization, and a convening role.	
EFFICIENCY	EQ11) The PCP governance structure was frail, disempowered, and lacked consistently high leadership in PRODUCE.	Both the main PCP counterpart in Peru, PRODUCE and UNIDO, contributed to the suboptimal PCP governance structure, which affected the PCP implementation.	No recommendation.
	EQ12) The level of implementing the mid-term evaluation recommendations in PCP Peru was low. Out of 20 relevant recommendations, only five were fully implemented, six were partly implemented, and nine were not implemented.	The PCP Peru did miss the opportunity to use the PCP mid-term evaluation as an opportunity to address structural shortcomings and results achievement.	No recommendation.
	EQ13) Adaptability of PCP Peru as a result of COVID-19 and other external factors, PCP Peru applied a contingency plan that served as a mitigating factor to cope: a) COVID-19: administrative and technical measures were implemented (virtual communication, assessments, and exchange knowledge); new activities and ongoing activities continued; b) Political and institutional instability: strengthen the relationship with counterparts at the technical levels; continuity of priorities and PCP's programmed activities.	PCP Peru rapidly adapted to the COVID-19 pandemic and political and institutional changes, assuring the continuity of technical work, albeit the rhythm of implementation of programmed activities slowed down.	Lesson: To have a contingency plan and a flexible team to implement it is very helpful to anticipate and quickly adapt in case of unforeseen events.
LIKELIHOOD	EQ14) The <i>likely</i> impact of the projects started under the PCP and still all under implementation relates mainly to process issues rather than transformational change.	PCP's contribution to transformational change by advancing ISID in Peru appears suboptimal.	No recommendation.

	Key evaluation findings by evaluation question	Conclusions	Topics for Recommendations and / or Lessons learned
	EQ15) Seven years after the signature of the PCP agreement, advancements towards ISID would have shown little differences without the PCP in Peru. Significant differences emerge in the perception of UNIDO staff and national stakeholders.	As the PCP project portfolio implementation is still less advanced, the difference the PCP makes for progressing ISID in Peru remains uncertain.	No recommendation.
LIKELIHOOD OF SUSTAINABILITY	EQ16) PRODUCE seems to be struggling to fulfill its mandate for continuing the industrial development agenda spearheaded in the PCP projects. Concerning the sustainability of specific PCP projects, the evaluation encountered the limitation that all projects are still in the design or implementation phase, and the likely sustainability is too early to be assessed.	<p>The institutionalization of the PCP in Peru appears uncertain, and the sustainability of project results is too early to tell.</p> <p>The PCP focused too much on its relationship with PRODUCE without giving sufficient and continuous priority to the private sector.</p>	No recommendation.
	<p>EQ17) Some partnerships were established and nurtured in PCP projects, but their lasting nature beyond the end of the projects is uncertain. At the broader PCP level, the partnership with PRODUCE depends on its unstable political leadership. Partners' financial commitment seems very limited beyond the established project portfolio.</p> <p>The PCP played a crucial facilitation role in launching the GEF project with FAO and IFAD, UN sister agencies which often compete. Concerning the government's financial commitment till 2026 (USD 101,6m), this project is a major achievement of the PCP. However, the closure of the PCP coordination office directly affects the in-country funds' mobilization support, and therefore, UNIDO has stepped back from applying for new GEF projects in Peru.</p>	The genuineness and sustainability of the partnerships established are mixed, and significant funding as an indication of government commitment and ownership was mobilized for two out of 13 projects.	<p>Lesson: An UNIDO field structure was a precondition for a national GEF project which is a major source of income for UNIDO in Peru. The PCP can play an important facilitation role in this process.</p> <p>UNIDO PCP Management: The GEF-funded project in Peru lacks a UNIDO country presence since the PCP office was closed. Given that the GEF is expecting a UNIDO country presence for the project implementation period till 2026, alternative arrangements to the PCP coordination office are required to ensure UNIDO's fiscal presence in Peru.</p>

Annex B: Evaluation Framework

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Data analysis methods
<i>Objective 1: Assess the design of the programme against the PCP framework</i>		
Relevance: How relevant is the PCP in Peru?		
1.1. To what extent was the PCP Peru designed and implemented in accordance with the core features of the PCP model? Was its Theory of Change valid?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • Content analysis of key informant interviews
1.2. To what extent were potential synergies built into the design of the PCP?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • Content analysis of key informant interviews
1.3. To what extent were gender and youth addressed by UNIDO interventions?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • TC Portfolio analysis • Content analysis of key informant interviews
1.4. To what extent have environmental and social safeguards been considered, particularly concerning potentially up-scaled investments and finance?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • Content analysis of key informant interviews
Coherence: How well does the PCP fit?		

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Data analysis methods
1.5. What is the added value of the PCP Peru to the country's national development strategies (Bicentennial Plan: Peru towards 2021; National Plan of Competitiveness and Productivity 2019-2030)?	<ul style="list-style-type: none"> • PCP monitoring and reporting • Relevant national documents 	<ul style="list-style-type: none"> • Content analysis of documents and websites • Content analysis of key informant interviews
1.6. How does the PCP fit into the UNSDCF?	<ul style="list-style-type: none"> • PCP monitoring and reporting • UNSDCF • Interview with UN/Development partners? UNRC? 	<ul style="list-style-type: none"> • Content analysis of documents and websites • Content analysis of key information interviews
<i>Objective 2: Assess the results and performance of PCP activities</i>		
<i>Effectiveness: To what extent have the PCP and related interventions achieved the intended outcomes?</i>		
2.1 What are the key results of the PCP?	<ul style="list-style-type: none"> • PCP monitoring and reporting Interviews using outcome harvesting with: <ul style="list-style-type: none"> • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • Content analysis of key informant interviews
2.2 What are specific results for women, and what are the main effects on human rights and social inclusion?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews using outcome harvesting with: <ul style="list-style-type: none"> • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • TC portfolio analysis • Content analysis of key informant interviews
2.3 What are the key drivers and barriers to achieving the objectives of the PCP?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: <ul style="list-style-type: none"> • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • Content analysis of key informant interviews

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Data analysis methods
<p>Efficiency: To what extent are the PCP concept and its governance structure in Peru fit for purpose as an innovative model and approach for UNIDO cooperation at the country level?</p>		
<p>2.4 What was UNIDO’s contribution to the achievement of PCP objectives? What was UNIDO’s comparative advantage? Were UNIDO’s roles and responsibilities clearly defined?</p>	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • TC portfolio analysis • Content analysis of key informant interviews
<p>2.5 Was the PCP governance structure in Peru suitable for PCP objectives? How strong was the ownership among stakeholders?</p>	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • Content analysis of key informant interviews
<p>2.6 Have the recommendations of the PCP mid-term evaluation been implemented?</p>	<ul style="list-style-type: none"> • PCP document review 	<ul style="list-style-type: none"> • Content analysis of documents
<p>2.7 How did the PCP Peru adapt to new realities and priorities resulting from the Covid-19 pandemic and other external factors? How did it respond to COVID-19 challenges?</p>	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • TC portfolio analysis • Content analysis of key informant interviews
<p><i>Objective 3: Assess to which the PCP Peru contributes to transformational change in the country</i></p>		
<p>Impact: To what extent are results leading to systemic change?</p>		

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Data analysis methods
3.1 How has the PCP contributed to the achievement of SDGs in the national context?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • TC portfolio analysis • Content analysis of key informant interviews
3.2 To what extent is the PCP likely to contribute to transformational change? Did it contribute to advancing ISID in Peru?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • TC portfolio analysis • Content analysis of key informant interviews
Sustainability: To what extent are changes likely to last?	-	-
3.3 To what extent will the results and benefits of the PCP be sustained after completion of the programme?	<p>Interviews with:</p> <ul style="list-style-type: none"> • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Case study • Content analysis of key informant interviews
3.4 To what extent has the PCP established a genuine partnership, including financial commitments of national and international partners, and is this partnership sustainable?	<ul style="list-style-type: none"> • PCP monitoring and reporting interviews with: • Ministry representatives • Development partners • Business representatives • End beneficiaries • UNIDO staff and project staff 	<ul style="list-style-type: none"> • Content analysis of documents • TC portfolio analysis • Content analysis of key informant interviews

Source: Evaluation team.

Annex C: Stakeholder mapping

		Importance as a source of information for evaluation	
		High	Moderate
Stakeholder interest in the evaluation results	High	<p>UNIDO</p> <ul style="list-style-type: none"> - UN Representative - PCP Peru Program Managers - PCP Peru National Coordinators - PCP Project managers - Global Partnerships and External Relations/ Division of Regional Bureaus and Field Offices - Technical Cooperation and Sustainable Industrial Development / Circular Economy and Resource Efficiency Unit and Responsible Materials and Chemicals Management Unit - Directorate of SDG Innovation and Economic Transformation / Division of Climate and Technology Partnerships <p>UN entities</p> <ul style="list-style-type: none"> - Food and Agricultural Organization – FAO (Biodiversity for food security and bio-businesses) - International Fund for Agricultural Development (IFAD) (Biodiversity for food security and bio-businesses) - Partnership for Action on Green Trust Fund PAGE (circular economy) <p>Peruvian Government: Ministries</p> <ul style="list-style-type: none"> - Ministry of Production (PRODUCE): Viceminister, Environment Affairs, Industrial Policy, Economic Studies - Ministry of Environment (MINAM): Cooperation - Ministry of Foreign Affairs: International Economic Negotiations <p>Government agencies involved in the PCP priority sectors:</p> <ul style="list-style-type: none"> - National Institute of Quality Standards (INACAL) <p>Business sector</p> <ul style="list-style-type: none"> - National Association of Industry (SNI) <p>Partners and Donors</p> <ul style="list-style-type: none"> - Swiss Cooperation - SECO - Global Environment Facility (GEF) - 	<p>Peruvian Government:</p> <ul style="list-style-type: none"> - Ministry of Economy and Finance (MEF) - Peruvian Agency of International Cooperation (APCI) - Technological Institute of Production (ITP) <p>UN entities</p> <ul style="list-style-type: none"> - ILO (new industrial policy) - United Nations Environment Programme (UNEP), World <p>Partners and Donors:</p> <ul style="list-style-type: none"> - CAF - IADB - European Union (Circular Economy) - Germany (BMZ) - Republic of Korea (Advisory Programme for Investment Promotion and Technology Transfer) - Italy (energy and environment) - Spain (energy and environment) - China (Productive diversification) <p>Academic sector / non-governmental organizations</p> <ul style="list-style-type: none"> - Grupo GEA (sustainable industrial parks) - Pacifico University (sustainable industrial parks)

		Importance as a source of information for evaluation	
		High	Moderate
Moderate		<p>Peruvian Government</p> <ul style="list-style-type: none"> - COFIDE - Ministry of Trade and Tourism - Ministry of Transport and Communications <p>Business sector:</p> <ul style="list-style-type: none"> - Chamber of Commerce of Lima (CCL) - ADEX – Association of Exporters - Enterprises (linked to Industrial Parks) <p>Partners and Donors:</p> <ul style="list-style-type: none"> - World Bank – International Finance Corporation <p>UNIDO:</p> <ul style="list-style-type: none"> - Resident Coordinator’s Office (RCO), 	<p>Business sector:</p> <ul style="list-style-type: none"> - COMEX <p>Partners and Donors:</p> <ul style="list-style-type: none"> - Japan - Austria <p>UN entities:</p> <ul style="list-style-type: none"> -United Nations Development Programme (UNDP) - International Health Organization (WHO) - United Nations Institute for Training and Research (UNITAR) - UN Women

Source: Evaluation team.

Level of priority:

(1) Key stakeholders to be included in the evaluation (priority)		(2) Important stakeholders to be considered to the extent possible		(3) Additional stakeholders to be considered if feasible
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Annex D: Document review for early findings and key evidence

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
Objective 1: Assess the design of the programme against the PCP framework		
Relevance: How relevant is the PCP in Peru?		
<p>1.1. To what extent was the PCP Peru designed and implemented in accordance with the core features of the PCP model? Was its Theory of Change valid?</p>	<p>PCP monitoring and reporting</p>	<p>Early finding: While the PCP Peru design is fully consistent with the PCP model (alignment with national priorities, reflection of UNIDO’s ISID objective, mobilization strategies to scale up investment through partnerships, monitoring and reporting mechanisms), Program’s implementation has faced certain challenges to sustain a permanent government ownership and its capacity to mobilize local resources during the whole period of implementation. With the formal launching of the Partner and Donor Working Group (PDWG) in 2021, there was a renewed government’s capacity to lead the mobilization of resources and establish partnerships.</p> <p>Key evidence:</p> <ul style="list-style-type: none"> • <i>Documents show that the design of PCP Peru is fully in line and consistent with the UNIDO ISID mandate. It focuses on generating investments to up-scale a project portfolio through intensive collaboration with the Government, donors, development finance institutions, other UN agencies and the private sector; projects are aligned and contributing to national priorities, through a coherent approach in which projects are interconnected; and the PCP Peru will be subject to intensive and continuous monitoring and evaluation, with detailed smart indicators and reports shared with all stakeholders. [Source: UNIDO (2017). Mid -Term evaluation of PCP; UNIDO (2017). Programme for Country Partnership 2017-2022]</i> • <i>The mobilization of resources in a middle-income country like Peru remains a challenge. In 2021, the Minister of Production launched the Partner and Donor Working Group (PDWG), to foster fundraising, investments and partnerships for industrial development programmes and the PCP. The PDWG received a strong support from the international community in Peru. [Source: UNIDO (2022) Peru: Programme for Country Partnership (PCP). Annual Report 2020 and UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2021]</i>

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>Early finding: The general PCP theory of change (ToC) was developed after the PCP Peru was signed. Based on the documents, while mobilization of resources from partners is overall limited, the ToC model is still valid for the PCP Peru.</p> <p>Key evidence:</p> <ul style="list-style-type: none"> • An explicit theory of change was formulated as part of the PCP’s Mid Term Evaluation. According to that evaluation, assessment of pre- conditions (government’s ownership and leadership, financial commitment and basic infrastructure) and assumptions (UNIDO’s capacity and resources, UNIDO internal coordination, government willing to give UNIDO facilitation role and physical office, and political instability) showed that the PCP contribution to national industrial development goals are likely to be moderately satisfactory. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO’s Programme for Country Partnership (PCP)] • The mobilization of resources from development partners is overall limited (ToC element no. 8), although the situation in Peru looks promising. While the achievement of the PCP priority area outcomes depend on many factors, based on the theory of change assessment it is likely that the achievements will be moderately satisfactory by 2020. The political and economic context is assessed favorably (assumption no. 6 and 7) for the PCP to succeed. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO’s Programme for Country Partnership (PCP), p.19]
1.2. To what extent were potential synergies built into the design of the PCP?	PCP monitoring and reporting	<p>Early finding: Through an extensive consultation process with different potential partnership, the design of PCP Peru succeeded in: (i) establishing concrete donor’s commitments (SECO’s funding of quality and environmental projects, UNIDO’s assessment of CITEs in synergy with IADB’s strategy, AECID’s funding of energy mainstreaming study for PCP Peru), (ii) identifying PCP partners and counterparts for each PCP’s components and (iii) identifying potential synergies with development organizations (CAF, WBG, IADB), multilaterals (OECD, EU) and bilateral actors (China, Germany, among others).</p> <p>Key evidence:</p> <ul style="list-style-type: none"> • The design of PCP Peru is a result of an extensive consultation process with public and private sector (40 partnership meetings and comprehensive discussions with 5 National Partners and 19 International Partners) and expected to be institutionalized at the implementation phase.[Source: UNIDO (2017). Programme for Country Partnership

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>2017-20211). Close alignment of ongoing and new UNIDO TC projects to the PCP priority sectors remains a challenge. [Source: UNIDO (2017) Independent Mid-Term Evaluation of UNIDO’s PCP].</p> <ul style="list-style-type: none"> • During the design phase, concrete collaboration with international partners started with the World Bank (participation of WBG’s technical expert in the International Congress on Sustainable Industrial Parks in 2017); IADB (support CITE network), SECO (quality infrastructure and environmental project); AECID (energy mainstreaming study for the PCP Peru). [Source: UNIDO (2017). Programme for Country Partnership 2017-20211)
<p>1.3. To what extent were gender and youth addressed by UNIDO interventions?</p>	<p>PCP monitoring and reporting</p>	<p>Early finding: While the PCP Peru’s design has a strong mandate for gender inclusion mainstreamed across components and women targeted projects, the implementation of gender was mainly addressed through: (i) gender indicators for trainings in certain projects (e.g. GQSP, GEF projects); (ii) capacity building on gender to the staff and management projects (e.g. GQSP- training in «I now Gender module»); (iii) gender assessment at the beginning of the project (i.e. "Economic empowerment of women in green industry"). While the women targeted project and the starting GEF-«biodiversity for food security...» project are set out to ensure a gender-balanced participation of target beneficiaries, other projects addressed gender issues through gender indicators, although disaggregated-sex data is not usually reported in annual reports.</p> <p>Early finding: Youth is not a particularly strong target in PCP’s interventions. No explicit evidence was found of youth inclusion in projects design, target results or indicators, excepting two mentions: (i) PCP’s design included a project related to introducing an entrepreneurship Curriculum Programme at the new National Curriculum for the youth (output 2.3 of value chain and enterprise component), however the project is not yet in the pipeline; (ii) The GEF-WEEE Project «Strengthening of National Initiatives and Enhancement of Regional Cooperation for the Environmentally Sound Management of POPs in Waste of Electronic or Electrical Equipment (WEEE) in Latin-American Countries» has an indicator that includes children in information campaign on e-waste issues.</p> <p>Key evidence for gender</p> <ul style="list-style-type: none"> ● <i>Priority and mandate:</i> between 2015-2017, gender is not a particularly strong priority in the PCP pilots. [Source: UNIDO (2017) Independent Mid-Term Evaluation of UNIDO’s

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>PCP]. According to the UNIDO Annual Report 2017, gender considerations are integrated into all country programmes and PCPs to ensure that women actively contribute to and benefit from ISID. The staff survey revealed that only 60% agreed that their CP systematically included gender perspectives since 2016. A good example of a transformative gender initiative is the Programme for Country Partnerships (PCP) for Peru, which aims to enhance economic empowerment of women in green industry through policy analysis, and the appointment of focal points in the three ministries (Ministry of Production, Ministry of Environment & Ministry of Women). [Source: UNIDO (2021). Independent thematic evaluation. UNIDO Policy (2015) and Strategy (2016-2019) on Gender Equality and Empowerment of Women; p.52].</p> <ul style="list-style-type: none"> ● <i>Implementation faces data challenges.</i> There is a mismatch between policy and action. The gender data collection and research agenda is still nascent. There was no collection of sex-disaggregated data for industrial statistics, including in the context of SDG reporting, and that was a gap that needed to be filled. There is an opportunity for UNIDO to help countries collect and analyze gender statistics. [Source: UNIDO (2021). Independent thematic evaluation. UNIDO Policy (2015) and Strategy (2016-2019) on Gender Equality and Empowerment of Women; p.59-61]. ● <i>Gender indicators by Projects:</i> Gender is only measured as key performance indicators in certain projects (e.g. GQSP, Aquaculture, WEEE, Women in Green Economies) and PCP Annual Reports rarely contain progress on woman-desegregated data (only SECO-GEIP and SIZ project report capacity building activities with women in the last two Annual reports). [Source: Annual Reports 2018-2021]. <p>Key evidence for youth</p> <ul style="list-style-type: none"> ● The PCP Peru included the Project "Development and implementation of an entrepreneurship curriculum" (Component 2/ Output 2.3), which aims at developing entrepreneurial culture, skills and knowledge among the youth in Peru's secondary education, basic education and community education. In 2018, it was expected funds from the World Bank but the following Annual Reports did not mention this project any more. [Source: UNIDO (2017) Peru: Programme for Country Partnership (PCP) 2017-2022; p. 30; UNIDO (2019). PCP Peru. Annual Resport 2018; p. 12; Annual Report 2019-2021].

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<ul style="list-style-type: none"> The GEF-WEEE Project «Strengthening of National Initiatives and Enhancement of Regional Cooperation for the Environmentally Sound Management of POPs in Waste of Electronic or Electrical Equipment (WEEE) in Latin-American Countries» has as an indicator: “gender and children specific information materials”. that includes children in information campaign on e-waste issues. Annual Report 2018-2021 did not report the results of that indicator.
<p>1.4. To what extent have environmental and social safeguards been considered, particularly concerning potentially up-scaled investments and finance?</p>	<p>PCP monitoring and reporting</p>	<p>Early finding: PCP projects undergo environmental and social risk assessments, but based on available reports, there is no evidence of how they have been taken in to consideration with regard to potentially up-scaled investments and finance.</p> <p>Key evidence:</p> <ul style="list-style-type: none"> ● 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: The project undergoes environmental and social risk (E&S) assessments, and is classified as category B regarding safeguard issues, because it is essentially a conservation initiative, and it is expected to generate positive and lasting social, economic and environmental outcomes. However, the activities of components 2 and 3 of the Project have some potential social and environmental impacts, so the identification of the level of risk of the Project has been carried out following the relevant FAO safeguards and guidelines. [Source: 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 (190176_Human wellbeing Food Security_GEF endorsement_10248.pdf)] ● SIZ Project: The project has developed 3 policy instruments, a Road Map for Callao and Peru (including gender and environmental measures), and a database on environmental pollutants caused by industry.
<p>Coherence: How well does the PCP fit?</p>		
<p>1.5. What is the added value of the PCP Peru to the country’s national development strategies (Bicentennial Plan: Peru towards</p>	<p>PCP monitoring and reporting</p> <p>Relevant national documents</p>	<p>Early finding: The PCP Peru is very well aligned to the country’s national development strategies, as outlined particularly in the <i>Bicentennial Plan: Towards 2021</i> and also in the <i>National Plan of Competitiveness and Productivity 2019-2030</i>. The PCP Peru added value to those strategies, accelerating the implementation of prioritized initiatives, through technical</p>

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
2021; National Plan of Competitiveness and Productivity 2019-2030)?		<p>assistance (baseline studies, assessments, roadmaps) and policy advisory (e.g. the National Strategy for Industrial Parks Development and the National Circular Economy Road Map were included in the new National Plan of Competitiveness and Productivity in Policy Measures 6.3 and 9.3, and approved by Presidential Decree), and provides support to the government for coordination with stakeholders and mobilization of technical cooperation resources. According to the Vice-Minister of SMEs and Industry of PRODUCE (UNIDO’s Eighth ISID Forum, 2021), the PCP is an instrument to mobilize partners and generate alliances and initiatives in pursuit of inclusive and sustainable industrial development.</p> <p>Key evidence:</p> <ul style="list-style-type: none"> • The PCP’s components and projects contributes to objectives and initiatives prioritized at the National Plan of Competitiveness and Productivity 2019-2030, through: the development of a national strategy of industrial parks , quality standards and technical regulations for a competitive market and homologation of MSME suppliers to be inserted into more sophisticated value chains (priority Objective 6: "Generate the conditions to develop a productive business environment"); fostering circular economy and clean production, including the development of a roadmap to progressively adapt the production process of business towards the circular economy principles; and a renewable energy strategy, electromobility and clean fuels including the evaluation and implementation of mechanisms to promote the deployment of renewable energy plants and promote the use of clean fuels. (priority objective 9: "Promote environmental sustainability in the operation of economic activities"); and development of capacities linked to the gaps and skills in Science, Technology and Innovation (priority Objective 3: “Generate the development of capacities for innovation, adoption and transfer of technological improvements”) [Source: National Plan of Competitiveness and Productivity 2019-2030] • For the period of the Mid-term evaluation 2015-2017, ownership and alignment of the PCP to national development plans are such that governments do not perceive the PCP as a UNIDO planning tool, but rather as their own instrument to pursue part of the industrial development agenda. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO’s Programme for Country Partnership (PCP)] • In June 2020, PRODUCE requested UNIDO’s technical assistance in relation to three pipeline technical cooperation interventions: 1) Support the transition to circular

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>economy of sectors prioritized in the manufacturing industry in Peru; 2) Implementation of a management system to promote the Circular Economy in the CITE network; and 3) Promoting integrated value chain development in Peru's aquaculture. [Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020 and UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2021]</p> <ul style="list-style-type: none"> • The “National Strategy for Industrial Parks Development” was included in the new National Plan of Competitiveness and Productivity, Policy Measure 6.3, Priority Objective 6. Its aim is to create productive and social infrastructure to stimulate productive growth and diversification. In close consultation with regional governments and UNIDO, the Strategy was approved by presidential Decree2, and in its introductory section, specifically acknowledges the contribution of UNIDO’s PCP to its development. • During 2019, the development, consultation and validation process of the National Circular Economy for Industry Roadmap was supported by UNIDO. In four regions of the country (Arequipa, Tarapoto, Trujillo and Lima) workshops were organized for the public and private sectors. The National Circular Economy Road Map is included in the National Plan of Competitive-ness and Productivity (Policy Measure 9.3, Priority Objective 9). The road map was approved by presidential Decree3. [Source: UNIDO (2021). PCP Peru - Annual Report 2020 PAGE 8]
1.6. How does the PCP fit into the UNSDCF?	<p>PCP monitoring and reporting</p> <p>UNSDCF</p>	<p>Early finding: The PCP fits into the UNSDCF contributing to UN’s direct result 1, which is explicitly related to the government’s purpose of fostering a more inclusive and competitive Peruvian economy. PCP contributes through job creation, improved environmental sustainability of the economy (such as reduced CO2 emissions and improved management of chemicals and hazardous materials), and enhanced institutional and entrepreneurial capacities for innovation and quality.</p> <p>Key evidence</p> <ul style="list-style-type: none"> • The United Nations Sustainable Development Cooperation Framework (UNSDCF) is a complete and tailor-made strategic plan, elaborated in close cooperation with the Government of Peru, that reflects a collective and integrated response from the United Nations System to Plan 2021 and the UN’s Agenda for 2030. The PCP has been developed in line with the priorities outlined by the UNSDCF, and provides a solid basis for UNIDO’s contribution; in particular, to UN’s direct result 1. :” Improved livelihoods and productive

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>and decent employment for vulnerable persons in society, through a sustainable development that strengthens social and natural capital and manages risks, by 2021". In particular, contributions will be in the area of job creation, improved environmental sustainability of the economy (such as reduced CO2 emissions and improved management of chemicals and hazardous materials), enhanced institutional and entrepreneurial capacities for innovation and quality; all contributing to a more inclusive and competitive Peruvian economy. - [Source: UNIDO (2017). PCP Perú 2017-2022; UNSDF https://uninfo.org/]</p> <ul style="list-style-type: none"> • Under the scope and guidance of the UNDAF 2017-2021, UNIDO formulated its contribution through the elaboration of the PCP Peru. Hence, the PCP has been developed in line with the priorities outlined by the UNDAF, and it is related to the Government's objective to increase the economy's competitiveness (Plan 2021)..[Source: UNIDO (2017). Programme for Country Partnership. Perú 2017-2022] • During 2021, The UNCT Configuration Report was prepared within the process of the UNSDCF development. UNIDO's role and comparative advantages are reflected in the report, which: (i) Recognizes UNIDO's ISID mandate, in particular SDG 9, as "accelerators" to contribute achieving SP2 (Environment, climate change and disaster risk management) and SP3 (Inclusive and sustainable competitiveness and productivity). (ii) Includes references to the PCP's capacities to develop strategic alliances and capacities to implement projects. (iii) Includes UNIDO as a relevant actor in 2 of the 4 strategic priorities (SP 2 and SP 3). UNIDO's comparative advantage, as well as the strong partnership with the UNDS led to it being invited to co-lead Direct Effect 5 (Strategic Priority 3), referred to "inclusive and sustainable competitiveness and productivity", of the new framework. [Source: UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2021]
<i>Objective 2: Assess the results and performance of PCP activities</i>		
Effectiveness: To what extent have the PCP and related interventions achieved the intended outcomes?		

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
2.1 What are the key results of the PCP?	PCP monitoring and reporting	<p>Early finding: The PCP has achieved some results related to: (i) creation of synergies with other partners (e.g. GQSP created synergies with Regional Government of San Martin, SECO cooperative programme, UNDP “green commodities”, USDA “Safe cocoa Project” and USAID “Alliance for cocoa”; SIZ project closely coordinated and exchanged information with “Eco-Industrial Park Development in Peru”, and both contributed to the National Roadmap Towards Circular Economy for the Industrial Sector; creation of public-private «Committee of Practice» for the development of the National Strategy for Industrial Parks; and a regional aquaculture network of 9 countries); and (ii) upscaled specific UNIDO TC Projects through mobilization of parallel funding of USD173 805 378. However, there are still challenges in enhancing local private investing and strengthening active inter-ministerial coordination.</p> <p>Early finding: The PCP Peru has contributed to policy changes (e.g. industrial parks, circular economy and handling electronical waste), institutional strengthening (e.g. National Institute of Quality, CITE network), capacity building (public workers, consultants and projects’ beneficiaries) and awareness raising (e.g. conference, forums), through specialized studies (e.g. assessments, masterplans), instruments (e.g. technical guides, database), equipment, technical assistance and pilot projects. A five-year timeframe of implementation was short to achieve expected large scale changes and results.</p> <p>Key evidence: Some of the key results are:</p> <p>(i) <i>Policy changes:</i> (a) Approval of the national policy for industrial parks, (b) guidelines for the promotion and management of industrial parks (Ministerial Resolution No. 204-2021- (c) changes to regulations of the National System of Industrial Parks (Supreme Decree No. 015-2021-PRODUCE); (d) road map for Circular Economy in the Industrial Sector (Supreme Decree No. 003 – 2020 – PRODUCE); Complementary Provisions to the Supreme Decree N° 009-2019-MINAM that approves the Special Regime for the Management and Handling of Waste Electrical and Electronic Equipment (D.S. N° 035-2021-MINAM).</p> <p>(ii) <i>Institutional strengthening:</i> Accreditation Directorate of INACAL (trainings and action plan - GQSP), strengthening of the “Environmental Information System” (SIZ), circular economy on CITE’s network (evaluation – WEEE)</p>

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>(i) <i>Capacity building</i>: governmental staff, consultants, women and men are trained in industrial park issues (SIZ, EIP), trainings in gender equality ((EEWiGI).</p> <p>(ii) Awareness raising: International Conferences on “Industrial Parks for Inclusive and Sustainable Industrial Development” (2019); “Towards a Modern Industrial Development Policy for Peru”, “The potential of renewable energies and their impact on regional productive development”, third International Plastics Industry Congress.</p> <p>(i) Specialized studies: Potential demand for quality services in the coffee and cocoa chains, diagnosis of the capacities in compliance with quality standards of 9 cooperatives, evaluation of 17 testing laboratories (GQSP); Opportunities for bio-businesses, evaluation of value chains for Amazonian products, analysis of trout, tilapia and amazonic fishes (GEF-biodiversity, aquaculture); assessment and development of the sustainable industry zones regulatory framework, sustainable industrial Zone Definition and financial and non-financial mechanisms for sustainable industrial zones in Peru (SIZ, EIP); degree of gender mainstreaming in green industry policy frameworks with policy priorities identified and assessment of coordination spaces for the generation of ISID (EEWiGI). [Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020 and UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2021]</p>
2.2 What are specific results for women, and what are the main effects on human rights and social inclusion?	PCP monitoring and reporting	<p>Early finding: The PCP Peru contributes in gender through building capacity’s activities (staff, public workers, and private sector), and start integrating gender and green industrial policies. The EEWiGI project elaborated a methodological proposal for the implementation of gender perspective main-streaming in Policies and laws. No evidence was found about PCP results for women and its effects on human rights and social inclusion.</p> <p>Key evidence Some projects results:</p> <ul style="list-style-type: none"> Economic empowerment Women in Green industries (EEWiGI): Activities results are related to the development of the methodology for the implementation of gender perspective in policy and laws, assessments of the gender approach in green industrial policies (the roadmap on circular economy for industry), and capacity -building module for business woman in the green industry. The project recently signed a Cooperation

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>Agreement with the World International Association of Women Entrepreneurs to support the economic empowerment of women and circular economy and resource efficiency [Source: UNIDO (2019) Peru: Programme for Country Partnership (PCP). Annual Report 2020 and UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2019]</p> <ul style="list-style-type: none"> • GQSP project, “Strengthening the coffee and cocoa quality for exports from Peru”: focus on women in training staff. • Global Environment Facility GEF-funded “Sustainable Industrial Zones Development in Peru”: development of Road Map for Callao and Peru with gender and environmental measures, and a database on environmental pollutants caused by industry.
2.3 What are the key drivers and barriers to achieving the objectives of the PCP?	PCP monitoring and reporting	<p>Early finding: At the inception phase, the high level of commitment of the Peruvian Government was the key driver to accelerate the start of the PCP. At the implementation phase, private sector commitment is also important to achieve the objectives of the PCP Peru (e.g. SIZ project, GEIP).</p> <p>Early finding: The PCP Peru encounters some barriers to achieve its objectives: (i) low level of government’s leadership and commitment to PCP implementation, (ii) difficulties in mobilizing resources due to lower availability of funds for middle-income countries and low government’s capacities; iii) lack of UNIDO country presence and (iv) clear expectations and roles between UNIDO and the government.</p> <p>Key evidence</p> <ul style="list-style-type: none"> • Mid-term evaluation (2015-2017) identified some implementation challenges: (i) focus on selected priority sectors and the reduction of project fragmentation, (ii) government capacities and UNIDO’s competences to support governments to implement specific large-scale projects and mobilize the necessary large-scale funding and (iii) UNIDO’s capacities to provide complementary assistance and accompany implementation in a bigger scale to governments and to manage government expectations, (iv) UNIDO’s organizational set up. It is very important to have a strong UNIDO country presence (UNIDO internal coordination works particularly well during the PCP inception phase, but during the implementation phase UNIDO project managers appear to be operating rather independently, with an unclear role of UR. (v) Clear definition of realistic

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>expectations between the Government and UNIDO in terms of roles and responsibilities is important. (vi) The overall success of PCP is closely associated with the very large-scale and complex projects. If they do not succeed, the PCP's are at risk, as are the governments' and UNIDO's reputation. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO's programme for Country Partnership (PCP)]</p> <ul style="list-style-type: none"> • 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[Source: UNIDO (2019) Peru: Programme for Country Partnership (PCP). Annual Report 2020 and UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2019] • Project level GQSP: Frequent technical interaction with beneficiaries is crucial to reach the targets. Engagement of testing laboratories and cooperatives of coffee and cocoa are important for a more rapid advance of the project implementation. UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2020 and UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2020]
<p>Efficiency: To what extent are the PCP concept and its governance structure in Peru fit for purpose as an innovative model and approach for UNIDO cooperation at the country level?</p>		
<p>2.4 What was UNIDO's contribution to the achievement of PCP objectives? What was UNIDO's comparative advantage? Were UNIDO's roles and responsibilities clearly defined?</p>	<p>PCP monitoring and reporting</p>	<p>Early finding: UNIDO succeeded in providing technical assistance and in playing a more integrated policy advisory role to the government on sustainable industrial development policies, in which it has its comparative advantage. While UNIDO is on the right track in its coordination support role to the government, UNIDO's support role in resource mobilization for local private investment is still challenging. Roles are formally clearly defined but more time is required to enhance his convening role among other stakeholders.</p> <p>Key evidence:</p> <ul style="list-style-type: none"> ○ UNIDO technical assistance, the advisory role and the coordination role are particularly appreciated by stakeholders. Mainly UNIDO's technical assistance in terms of technical

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>expertise is widely recognized. It is seen as an important ingredient to make the PCP work. The convening role is also appreciated, albeit somewhat less strongly. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO’s Programme for Country Partnership (PCP)]</p> <ul style="list-style-type: none"> ○ The shortage of seed-money on UNIDO’s side has negatively affected UNIDO’s ability to prepare full-fledged project proposals. The mobilization of ‘parallel’ funding is primarily the responsibility of the government UNIDO only has a supportive role. This needs to be made much clearer in order to avoid wrong expectations. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO’s Programme for Country Partnership (PCP)] ○ The UNCT Configuration Report was also prepared within the process of the UNSDCF development. UNIDO’s role and comparative advantages are reflected in the report, which: <ul style="list-style-type: none"> (i) Recognizes UNIDO’s ISID mandate, in particular SDG 9, as “accelerators” to contribute achieving SP2 (Environment, climate change and disaster risk management) and SP3 (Inclusive and sustainable competitiveness and productivity); (ii) Includes references to the PCP’s capacities to develop strategic alliances and capacities to implement projects; .Includes (iii) as a relevant actor in 2 of the 4 strategic priorities (SP 2 and SP 3).UNIDO’s comparative advantage, as well as the strong partnership with the UNDS led to it being invited to co-lead Direct Effect 5 (Strategic Priority 3), referred to “inclusive and sustainable competitiveness and productivity”, of the new framework. As 2021 was the last year of the implementation of United Nations Development Assistance Framework (UNDAF) 2017- 2021, the PCP Peru team also participated in the final reporting activities of the framework. [Source: UNIDO (2022). PCP Peru. Annual Report 2021) ○ During 2021, some contributions of PCP advisory services were: <ul style="list-style-type: none"> (i) Quality and innovation: under the Global Quality and Standards Programme (GQSP) and the project “Strengthening the coffee and cocoa quality for exports from Peru”, the capacities of INACAL and other entities of the National Quality System (INIA, SENASA) were strengthened; (ii) Value Chain and Enterprise Development: At the regional project “Fostering regional coordination in aquaculture value chains for productive employment generation in Latin America and the Caribbean,” support was provided for the national roadmaps on freshwater aquaculture and a value chain analysis methodology. UNIDO also implemented a communication strategy for the “Acuicultura Sostenible” mark. (iii) Sustainable Industrial Parks: UNIDO specialist were involved in the updated National Regulation for Industrial Parks System in Peru (SNIP) included the Eco-Industrial Parks

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>(EIP) approach for establishing a favorable policy environment to promote more sustainable industrial parks in Peru (Supreme Decree 015-2021-PRODUCE and RM 000204-2021-PRODUCE), . In addition, the creation of the EIP policy task force (more than 15-trained professionals for EIP policy improvement and in disseminating the economic, social and environmental benefits of Eco-Industrial parks), as a result of a series of workshops conducted by the Global Eco-Industrial Parks Programme (GEIPP) in Peru.</p> <p>(iv) Industrial Resource and Energy Efficiency and Renewable Energy: The regional project “Strengthening of National Initiatives and Enhancement of Regional Cooperation for the Environmentally Sound Management of POPs in Waste of Electronic or Electrical Equipment (WEEE) in Latin American Countries” has worked closely with the Ministry of Environment on policy and awareness raising activities (e.g. Special Regime for the Management and Handling of Waste Electrical and Electronic Equipment, Guide for the elaboration of the WEEE Management Plan; communication and awareness-raising strategy for local governments for the proper management of WEEE , guidelines for the management and handling of Waste Electrical and Electronic Equipment - WEEE for producers and generators). [Source: UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2021]</p>
<p>2.5 Was the PCO governance structure in Peru suitable for PCP objectives? ¿How strong was the ownership among stakeholders?</p>	<p>PCP monitoring and reporting</p>	<p>Early finding: PCP formal governance structure was slow to implement and difficult to gain completely appropriation of the PCP. The Multi-sectoral Commission was formally created at the end of 2019 (1.5 years later after the implementation phase), all members belong to the public sector (PCP expected private sector’s participation), and the main strategic discussions and decisions are taken in bilateral discussions with the focal point Ministry of Production and not under this expected «strategic guidance commission». Some members of this Commission (e.g. Ministry of Transport and Communications, Ministry of Foreign Trade and Tourism) do not have a leadership in any PCP projects, diminishing their interest and appropriation on the PCP. The Programme Donor Working Group formally started on 2021 (three years later after the implementation phase) and it just met once. The National PCP Coordination Office supports daily engagement and relationship with authorities and counterparts in a context of continuous political changes.</p>

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>Early finding: Government ownership of the PCP was strong at the inception phase but then it fluctuated during the implementation phase. Public sector investments is 73% of the the total volumen of leverage funds.</p> <p>Early finding: While the National Association of Industries - SNI brings a strong support to the PCP Peru from the beginning (priorities and space for PCP coordination office), PCP has some challenges to leverage financial contribution from private sector.</p> <p>Key evidence</p> <ul style="list-style-type: none"> • 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 (Nov 2019-Dec 2022) as a space of articulation for providing strategic guidance to the implementation of the PCP Peru, following-up and ensuring the alignment of projects with the country's priorities P. Members are the representatives of the Ministries of Production (President), Foreign affairs, Environment, Foreign Trade and Tourism, and Transport and Communications. 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 PNP. . [Source: UNIDO (2020). PCP Peru. Annual Report 2019; p. 8; RESOLUCIÓN SUPREMA N° 020-2019-PRODUCE] • Partner and Donor Working Group: The official establishment of the PDWG took time. It was too much expectations of its role: main focal point for bilateral and multilateral partners, including financial institutions, to further facilitate resource mobilization and funds allocation for the PCP; 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. [Source: UNIDO (2020). PCP Peru. Annual Report 2019; p. 8, UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020] • National PCP Coordination Office: Critical role to support daily engagement with the newly appointed authorities, and to swiftly respond to requests and new priorities arising with continuous political changes in the country. In March 2020, the National PCP

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>Coordination Office relocated to the Ministry of Production (PRODUCE), as an in-kind contribution by PRODUCE. Previously (February 2019-February 2020), the PCP National Coordination Office was located at the premises of the National Association of Industries (SNI) and financed by the PCP coordination budget. During 2021, PRODUCE continued its financial support for the PCP Peru Executive Unit and committed resources to support the PCP coordination mechanism during 2022. [Source: UNIDO (2021) Peru: Programme for Country Partnership, Annual Report 2020, UNIDO (2021)]</p> <ul style="list-style-type: none"> • 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 was established to facilitate national programme implementation. UNIDO (2019). PCP Peru. Annual Report 2018; p. 8] • Lessons learned for the PCP: (i) mutual commitment to the PCP at the highest government level and by the Director General of UNIDO is indispensable and provides a strong foundation for the programme for country partnerships. (ii) Development partners in general welcome the PCPs and are in principle interested to contribute. However, participating in the PCP with large-scale resources has proved challenging and more time-consuming than expected (iii) The private sector needs to be much more involved in the PCPs in order to ensure they come fully on board. Source: UNIDO (2017) Mid-Term Evaluation for UNIDO’s Programme for Country Partnership (PCP)] • Along the year 2020, the Programme was in contact with 14 public sector entities and established continuous collaboration with 11 of them. Similarly, the Programme maintained strong links with 9 representative entities of the private sector and industry, and other key actors involved in inclusive and sustainable industrial development. On November 2020, the Chair of the Multisectoral Commission for the PCP (PRODUCE), participated in the forty-eighth session of the UNIDO Industrial Development Board, where he reiterated the importance given by the Government of Peru to the PCP Programme, highlighting the progress made in 2020 within the framework of the PCP and its coordination mechanism, particularly in terms of policy advice, partnerships and resource mobilization. [Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020]

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
2.6 Have the recommendations of the PCP mid-term evaluation been implemented?	PCP document review	<p>Early finding: Based on documents reviewed, the PCP implemented the following PCP mid-term evaluation 's recommendations: (i) The PCP includes parallel funded activities of other actors, (ii) a National Coordinator operates in Peru and reports to the PCP Manager (based in Colombia), being responsible for the operational side and the interaction with stakeholders at the technical level (operating at premises of the Sociedad Nacional de industrias in 2019 and PRODUCE's premises in 2020); (iii) a logic framework for the intervention (albeit an specific theory of change for PCP Peru was not developed), establishing accountabilities for achieving results (outcomes, results, indicators).</p> <p>Key evidence</p> <ul style="list-style-type: none"> • The PCP seeks to mobilize the resources needed to implement projects that contribute to the development of a modern, competitive and inclusive industry. By the end of 2021, cumulative investments and co-funding leveraged since the initiation of the PCP reached US\$173,805,378 (In kind: US\$25,017,000; public: US\$138,116,207; loan: US\$10,500,000 and grant: US\$172,171).[Source: UNIDO (2017). Programme for Country Partnership 2017-20211, UNIDO (2022) Peru: Programme for Country Partnership (PCP). Annual Report 2021, p.12-13] • In February 2019, the PCP Coordination Office was established at the premises of the National Association of Industries (SNI) and in March 2020, it was moved to the Ministry of Production (PRODUCE). In April 2020, the leadership of the Programme moved to the UNIDO Representative's Office in Colombia, covering Peru, in line with the recommendations of the independent mid-term evaluation of UNIDO's PCP. The UNIDO Representative is supported by a PCP Team at Headquarters composed of staff from the different departments involved in implementation. [Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020, https://www.unido.org/programme-country-partnership/peru] • The Programme for Country Partnership defines a general logic framework. The PCP Peru will be subject to intensive and continuous monitoring and evaluation. It contains the detailed Monitoring and Evaluation (M&E) Framework, which is based on the PCP Peru Logical. At the beginning of each project, a baseline data survey will be collected in

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		order to develop detailed SMART indicators [Source: UNIDO (2017). Programme for Country Partnership 2017-20211)
2.7 How did the PCP Peru adapt to new realities and priorities resulting from the Covid-19 pandemic and other external factors? How did it respond to COVID-19 challenges?	PCP monitoring and reporting	<p>Early finding: The PCP Peru rapidly adapted to COVID-19 pandemic and institutional changes, applying the Contingency Plan to assure the continuity of technical work. New activities started during that time (National Strategy for Circular Economy in Industry, the development of Science and Technology Parks, as well as the aquaculture sector) and administrative and technical measures were implemented to guarantee the continuity of ongoing projects (GQSP: contracting supplier's blockchain assessment; Aquaculture value chain: meetings for analyzing impacts; SIZ: training sessions, seminars and meetings for beneficiary companies; WEEE: strongly support to MINAM and producers of Electrical and Electronic Equipment to meet targets; accelerating SDG 9 in LAC: digital platform to create partnerships, exchange knowledge and build capacities among actors in the region).</p> <p>Key evidence:</p> <ul style="list-style-type: none"> • Although the COVID-19 pandemic and the political challenges in Peru delayed some programmed activities during 2020 and 2021, the PCP Contingency Plan acted as a strong mitigating factor, allowing the technical work to continue. Part of these contingency measures included strengthening the link between the Programme's middle management and technical focal points, which guaranteed the continuity of the technical work, despite changes at political levels. The Contingency Plan also contemplated the use of virtual means to communicate and revise the government contribution for PCP when needed. [Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020] • Under the leadership of the RCO in Peru and UNDP, a Working Group on the Socio-Economic Response and Recovery Plan to COVID-19 was established. UNIDO/PCP Peru has been participating in the exercise, whose objective is to assess the socio-economic impact of the pandemic in Peru. The socio-economic response and recuperation plan was developed. In August 2020, the PCP Peru, jointly with ILO and IFAD, developed and submitted a proposal for UN COVID-19 Multi-partner Trust Fund (MPTF). The proposal aimed at promoting “Socio-economic recovery with equity for young women in Peru”, and is part of the MPTF COVID-19 pipeline catalogue distributed to the donor community

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>by the UN Secretariat in the last quarter of 2020. [Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020]</p> <ul style="list-style-type: none"> • Despite the impact of COVID-19 pandemic and institutional challenges which affected Peru, the year 2020 marked a new stage of enhanced cooperation with the Government of Peru. In June 2020, the PCP Peru, upon request of the Chair of the Multisectoral Commission, started the development of new technical assistance to support the implementation of the National Strategy for Circular Economy in Industry, the development of Science and Technology Parks, as well as fostering the aquaculture sector in Peru. [Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020] <p>- In order to minimize the impact of COVID-19 pandemic, some contingency plans were executed for the projects:</p> <ul style="list-style-type: none"> • For the project “GQSP - Strengthening the coffee and cocoa quality for exports from Peru”: strict approval system for national and international travel and for face-to face events to reach the highest level of decision-making in the institution. The project continued the implementation process prioritizing Outcome 1 and 3 where coordination with national level entities was more feasible and with activities that could be implemented virtually. In the case of Outcome 2, it was possible to contract suppliers in the area and ensuring that they comply with the sanitary protocols dictated by the Government. It was possible to implement the block chain assessment in Outcome 2, due to its virtual nature. • For the project “Fostering regional coordination in aquaculture value chains for productive employment generation in Latin America and the Caribbean”: the project itself was part of UNIDO’s response to COVID-19 as job creation along the aquaculture value chain, with the work plan adapted based on the health emergency and COVID-19 measures in the participating countries. An inception video conference meeting was held with all Focal Points. The selection of value chains in Peru and their analyses served as a first step to improve their functioning and allow for employment creation, which can serve as a driver of broad-based poverty alleviation in the context of the COVID-19 pandemic through its direct and indirect effects. • For the project “Sustainable Industrial Zone Development in Peru”: during 2021, training sessions, seminars and meetings were carried out virtually. Technical assistance for

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>Callao companies and a mid-term evaluation were mostly virtual, but included some on-site visits.</p> <ul style="list-style-type: none"> • For the project “Strengthening of National Initiatives and Enhancement of Regional Cooperation for the Environmentally Sound Management of POPs in Waste of Electronic or Electrical Equipment (WEEE) in Latin American Countries”: support to MINAM so that producers of Electrical and Electronic Equipment can meet the annual WEEE collection targets they have committed to in their management plans, despite the restrictions of the pandemic. • For the initiative “Accelerating SDG 9 implementation in Latin America and the Caribbean through South-South and triangular cooperation, networking and partnerships”: provides a digital platform to create partnerships, exchange knowledge and build capacities among actors in the region. At the first online regional meeting held in May 2021, national focal points of LAC countries focused on how to speed up the implementation of SDG 9 in the LAC countries during the pandemic and requested support in critical areas.[Source: UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2021]
<i>Objective 3: Assess to which extent the PCP Peru contributes to transformational change in the country.</i>		
Impact: To what extent are results leading to systemic change?		
3.1 To what extent is the PCP likely to contribute to transformational change? Did it contribute to advancing ISID in Peru?	PCP monitoring and reporting	<p>Early finding: The PCP is contributing to advancing ISID in Peru, influencing in government’s decisions for policy changes (industrial parks, circular economy, management of waste of electronical equipment); supporting the government to seek new channels for resource mobilization and promoting alliances; and providing technical cooperation (studies, instruments, capacity building) to government and private sector. However, during a five-year timeframe (only four projects will be finishing at 2022), and considering that structural changes depends on many factors outside the control of PCP, it is too ambitious to say that the PCP is likely to contribute to a transformational change.</p>

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>Key evidence</p> <ul style="list-style-type: none"> • The joint work of the PCP with the United Nations Country Team, as well as the consolidation of alliances with specialized agencies of the United Nations System, has proved to be an efficient means of strengthening UNIDO's contribution in the country, as well as of seeking new channels for resource mobilization. The participation of the PCP team in the development of the UNSDCF has allowed it to reflect the sectoral needs of national counterparts and resulted in the invitation to co-lead the Direct Effect 5 (Strategic Priority 3), referred to as "inclusive and sustainable competitiveness and productivity" of the new framework. A close relationship has been reached with the RCO team, and mutual support has been generated on different occasions, which also reinforces UNIDO's presence in the country, as a non-resident agency. [Source: UNIDO (2021) Peru: Programme for Country Partnership (PCP). Annual Report 2021] • Based on the theory of change analysis, it seems likely that the PCP's contribution to development results will be smaller by 2020 than what was originally planned. This is because targets and timeframes were very ambitious in the first place. In addition, the mobilization of large-scale public and private resources is more challenging and time consuming than anticipated. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO's Programme for Country Partnership (PCP)]
Sustainability: To what extent are changes likely to last?	-	
3.2 To what extent will the results and benefits of the PCP be sustained after completion of the programme?	Not applicable	<p>Early finding: Based on documents review and considering that the majority of the projects are still under implementation, it is not possible to envisage, in advance, the sustainability of results and benefits of the PCP Peru.</p> <p>Key evidence</p> <ul style="list-style-type: none"> • Throughout 2021, 11 UNIDO projects were under implementation. [Source:Annual Report 2021, p.12.] • In May 2021, the Ministry of Production committed resources to support the coordination mechanism during 2022, to be provided through the Congress in 2022, but it is still in process. The joint work of the PCP with the United Nations Country Team, as

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<p>well as the consolidation of alliances with specialized agencies of the United Nations System, has proved to be an efficient means of strengthening UNIDO’s contribution in the country, as well as of seeking new channels for resource mobilization. Source: UNIDO (2020) Peru: Programme for Country Partnership (PCP). Annual Report 2020 and UNIDO (2022) Peru: Programme for Country Partnership (PCP). Annual Report 2021]</p> <ul style="list-style-type: none"> • New projects are being discussed and started: (i) A preparatory assistance phase for the project “Development of Scientific and Technological Parks in Peru”, in partnership with Concytec. The Executive President of CONCYTEC sent a formal communication to the EU Delegation in Peru indicating his interest in having this proposal considered for the purposes of future programming. [Source: Annual Report 2021]. (ii) «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»: the starting project is expecting to establish plans, strategies, instruments, spaces and planning platforms that can also be used in other areas of the regions where the Project intervenes; to replicate the management practices and financial sustainability of PAs in the country; and to provide technical capacity to up-scale and replicate the approach and activities of the Project. <p>[Source: 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 (190176_Human wellbeing_FoodSecurity_GEF Ceo endorsement_10248.pdf)]</p>
3.4 To what extent has the PCP established a genuine partnership, including financial commitments of national and international partners, and is this partnership sustainable?	PCP monitoring and reporting	<p>Early finding: The PCP Peru succeeded in mobilizing parallel funding (91% of the total PCP Peru volume are parallel funding), in which Government’s financial contribution is strong (73% of the total PCP Peru). However, most of investments leveraged was concentrated in 2018 (i.e. mainly government, and SECO and AiDB’s loans for SIZ) and in 2021 (i.e mainly public investments in starting GEF-biodiversity project); and the contribution of business associations and private sector has been punctual and only in kind. The level of engagement of international donors and other stakeholders depends on synergies between PCP and their global and bilateral cooperation strategies (e.g. GEF-biodiversity project).. Based on documents review, it is not possible to envisage, in advance, the sustainability of partnerships.</p> <p>Key evidence</p>

Evaluation objectives, criteria, and questions	Source of information and data collection methods	Result by data source
		<ul style="list-style-type: none"> • By the end of 2021, funding for PCP Peru technical assistance amounted to US\$ 16,340,878 (completed and ongoing projects since the start of the PCP and excluding programme support costs). Cumulative investments and co-funding leveraged since the initiation of the PCP reached US\$173,805,378 (In kind: US\$25,017,000; public: US\$138,116,207; loan: US\$10,500,000 and grant: US\$172,171). The pipeline of UNIDO TC projects for 2022 is estimated at over US\$9 million. [Source: UNIDO (2022) Peru: Programme for Country Partnership (PCP). Annual Report 2021, p.12-13, p, 31-35] • Large -scale resources mobilization requires a significant amount of time. The shortage of seed-money on UNIDO's side has negatively affected UNIDO's ability to prepare full-fledged project proposals. [Source: UNIDO (2017) Mid-Term Evaluation for UNIDO's Programme for Country Partnership (PCP)]

Annex E: Context analysis

The context analysis seeks to understand the environment in which the PCP Peru was developed. The following table gives an overview of the political, economic, and organizational context in which the PCP Peru has been developed.

Political context				
Phase 0: Identification phase 2015 - 2016	Phase 1: Inception phase (2016-2018)	Phase 2: Implementation Phase (2018-2022)		
Jul 2011- Jul 2016	Jul 2016 - Mar 2018	Mar 2018 - Nov 2020	Nov 2020 - Jul 2021	Jul 2021 – Dec 2022
<p>President Ollanta Humala Tasso</p> <p>Number of changes of ministers: 74</p> <p>Produce had four ministers.</p> <p>Jul - Dec 2011 (5m): Kurt Burneo Farfán</p> <p>Dec 2011 - May 2012 (5m): José Urquiza Maggia</p> <p>May 2012 - Feb 2014: (21m) Gladys Triveño Chan Jan</p> <p>Feb 2014 - Jul 2016 (27m): Piero Eduardo Ghezzi Solís</p>	<p>President: Pedro Pablo Kuczynski Godard</p> <p>Number of changes of ministers: 44</p> <p>Produce had three ministers.</p> <p>Jul 2016 - May 2017 (10m): Bruno Giuffra</p> <p>May 2017 - Jan 2018 (8m): Pedro Olaechea</p> <p>Jan 2018 - Mar 2018 (2m): Lieneke Schol</p>	<p>President: Martín Alberto Vizcarra Cornejo</p> <p>Number of changes of ministers: 81</p> <p>Produce had five ministers.</p> <p>Mar -Apr 2018 (1): Lieneke Schol Calle</p> <p>Apr 2018: Daniel Córdova Cayo</p> <p>Apr 2018-Mar 2019 (11m): Raúl Pérez-Reyes Espejo</p> <p>Mar 2019-Jul 2020 (16m): Rocío Barrios Alvarado</p> <p>Jul -Nov 2020 (4m): José Salardi Rodríguez</p>	<p>President Manuel Merino</p> <p>President: Francisco Rafael Sagasti Hochhausler</p> <p>Number of changes of ministers: 23</p> <p>Produce had one minister:</p> <p>Nov 2020 - Jul 2021 (8m): José Luis Chicoma</p>	<p>President: José Pedro Castillo Terrones (jul 2021-dec2022)</p> <p>Number of changes of ministers: 72</p> <p>Produce had four ministers: Jul 2021 - Oct 2021(3m): Yván Quispe Apaza</p> <p>Oct 2021 - Nov 2021 (1m): Roger Incio Sánchez</p> <p>Nov 2021 – Nov022 (12m): Jorge Prado Palomino</p> <p>Nov 2022 – Dec2022 (1m): Eduardo Mora</p> <p>President: Dina Boluarte (from dec2022)</p> <p>Number of changes of ministers: 0</p> <p>Produce had one minister:</p>

Political context				
Phase 0: Identification phase 2015 - 2016	Phase 1: Inception phase (2016-2018)	Phase 2: Implementation Phase (2018-2022)		
				From Dec 2022 (1m): Sandra Belaúnde
<p>Law of Prior Consultation with indigenous peoples promulgated.</p> <p>Ministry of Development and Social Inclusion created</p> <p>Social conflicts (Conga mining project in Cajamarca, illegal extraction machinery in Madre de Dios, Xstrata Tintaya mining company in Cuzco)</p> <p>Controversy between the Executive and Congress regarding the increase in salaries for public officials by the Civil Service Law.</p>	<p>Ravages of the Fenómeno del Niño Costero.</p> <p>President granted a humanitarian pardon for Ex-President Fujimori. Massive protests and national political crisis.</p> <p>Agrarian strike by medium and small farmers to declare the agricultural sector in emergency</p> <p>President resigned from his position.</p>	<p>Regional and municipal elections and referendum</p> <p>Judiciary annulled the humanitarian pardon for Fujimori.</p> <p>Health emergency declared due to the COVID-19 pandemic.</p> <p>Selection process of the members of the TC by Congress generated controversy and mobilizations of citizens.</p> <p>President dissolved Congress.</p> <p>Congress declared Vizcarra's permanent moral' incapacity, and he was succeeded by the then president of the Congress, Manuel Merino.</p>	<p>Agrarian strike due to the validity of the Agrarian Promotion Law in Ica, La Libertad, Piura, and Apurímac.</p> <p>Vaccination against Covid19 officially started.</p> <p>Vacunagate scandal General elections and Pedro Castillo elected.</p>	<p>President established measures to face the high price of domestic gas and reduce its cost to consumers.</p> <p>President launched the Second Agrarian Reform.</p> <p>Strike against mining exploitation in Ayacucho.</p> <p>Protest claiming for new Presidential and Parliamentary elections.</p>

Economic context												
GDP	2011: 6.3%	2012: 6.1%	2013: 5.9%	2014: 2.4%	2015: 3.3%	2016: 4%	2017: 2.5%	2018: 4%	2019: 2.2%	2020: - 11.1%	2021: 13.3%	2022-IT: 3.2% 2022-IIT: 3.3%
Exports	2011: 5.5%	2012: 3.1%	2013: - 0.6%	2014: - 3.8%	2015: 4.3%	2016: 11.8%	2017: 8.8%	2018: 3.4%	2019: 0.3%	2020: - 18.2%	2021: 17.1%	2022-IT: 8.4% 2022-IIT: 3.0%
Imports	2011: 13.6%	2012: 10%	2013: 2.9%	2014: - 1.0%	2015: 1.0%	2016: 1.6%	2017: 7.1%	2018: 3.5%	2019: 1.7%	2020: - 15.4%	2021: 25.1%	2022-IT: 2.0% 2022-IIT: 2.8%
Inflation	2011: 4.7%	2012: 2.6%	2013: 2.9%	2014: 3.2%	2015: 4.4%	2016: 3.2%	2017: 1.4%	2018: 2.2%	2019: 1.9%	2020: 2.0%	2021: 6.4%	2022 mar: 3.6% 2022 jun: 6.4% 2022 set: 7.8%
Public Debt	2011: 21.6%	2012: 19.9%	2013: 19.2%	2014: 19.9%	2015: 23.3%	2016: 23.7%	2017: 24.7%	2018: 25.6%	2019: 26.6%	2020: 34.6%	2021: 35.9%	2022 projected: 34.7%
Economic result	2011: 2.1%	2012: 2.3%	2013: 0.9%	2014: - 0.3%	2015: - 1.9%	2016: - 2.4%	2017: - 3.0%	2018: - 2.3%	2019: - 1.6%	2020: - 8.9%	2021: - 2.5%	2022 projected: - 3.7%
Monetary poverty	2011: 27.8%	2012: 25.8%	2013: 23.9%	2014: 22.7%	2015: 21.8%	2016: 20.7%	2017: 21.7%	2018: 20.5%	2019: 20.2%	2020: 30.1%	2021: 25.9%	
Informal employment	2011: 75.1%	2012: 74.3%	2013: 73.7%	2014: 72.8%	2015: 73.2%	2016: 72.0%	2017: 72.5%	2018: 72.4%	2019: 72.7%	2020: 75.3%	2021: 76.8%	
Total unemployment	2011: 3.5%	2012: 3.2%	2013: 3.6%	2014: 3.2%	2015: 3.3%	2016: 3.7%	2017: 3.7%	2018: 3.5%	2019: 3.4%	2020: 7.2%	2021: 5.1%	

	Phase 0: Identification phase 2015 - 2016	Phase 1: Inception phase (2016-2018)	Phase 2: Implementation Phase (2018-2022)		
	Jul 2011- Jul 2016	Jul 2016 - Mar 2018	Mar 2018 - Nov 2020	Nov 2020 - Jul 2021	Jul 2021 – Dec 2022
Relevant industrial policies	<p>Strategic Plan for National Development called Bicentenary Plan: “Peru towards 2021” approved (2011).</p> <p>Creation of National Plan for Production Diversification launched. National Program for Production Diversification, National Innovation Program for Competitiveness and Productivity called “Innovate Perú,” the National System for Quality (SNC), and the National Quality Institute of Peru (INACAL) (2014). Creation of the National System of Industrial Parks (2015).</p>	<p>External indebtedness operation between Peru and the International Bank for Reconstruction and Development approved to finance the National Program for Innovation in Fisheries and Aquaculture (2016). National Program for Innovation in Fisheries and Aquaculture (PNIPA) formalized. Creation of Business Development Centers in all regions of Peru (2016). Program called “Tu Empresa” launched (2017).</p>	<p>National Competitiveness and Productivity Policy approved (2018).</p> <p>National Competitiveness and Productivity Plan approved with objectives and measures linked to industrial and productive development as the elaboration of a national strategy for industrial parks and the development of a National Roadmap towards a Circular Economy in Industry (2019). With the support of the CAF-Development Bank of Latin America, a roadmap proposal was developed to support the digitization of agribusiness and logistics in the Ica region (2019-2020).</p>	<p>Creation of the National Program for Technological Development and Innovation (2021). “Ruta Digital Productiva” launched (2021).</p> <p>“Technological Roadmap for Mining Technological Suppliers” approved (2021).</p>	<p>“Industrial Internet Roadmap for the Department of Ica” launched (2021).</p> <p>There are currently 48 Centers for Productive Innovation and Technology Transfer (CITE) nationwide. Strategic Plan for National Development to 2050 approved (2022).</p>
PCP PERU	General Director UNIDO: Li Yong (China). 2013 - 2022	General Director UNIDO: Li Yong (China) 2013-2022 UN Representative Peru from Colombia: Johannes Dobinger	General Director UNIDO: Li Yong (China). 2013 - 2022 UN Representative Peru from Colombia: J. Dobinger (Up to 2019), Cristiano Pasini (March 2020-June 2021)	General Director UNIDO: Li Yong (China). 2013 - 2022 UN Representative Peru from Colombia:	General Director UNIDO: G. Müller (from July 2021) UN Representative Peru from

	Phase 0: Identification phase 2015 - 2016	Phase 1: Inception phase (2016-2018)	Phase 2: Implementation Phase (2018-2022)		
	Jul 2011- Jul 2016	Jul 2016 - Mar 2018	Mar 2018 - Nov 2020	Nov 2020 - Jul 2021	Jul 2021 – Dec 2022
		<p>PCP manager: Petra Schawger</p> <p>No UNIDO field office in Peru</p> <p>First National Coordinator (F. Baumann)</p>	<p>PCP Manager: Petra Schwager (Up to 2019), Cristiano Pasini (March 2020-June 2021)</p> <p>National Coordinator: César Llona (2019- May 2022)</p> <p>Establishment of the PCP Coordination Office at the premises of the National Association of Industries (SNI). (Feb 2019)</p> <p>National PCP Coordination Office establishes its premises in the Ministry of Production (PRODUCE). (Mar 2020)</p>	<p>C. Pasini (Up to June 2021)</p> <p>PCP Manager: C. Pasini (Up to June 2021)</p> <p>National Coordinator: César Llona (From 2019)</p>	<p>Colombia: C. Gonzalez</p> <p>PCP Manager: C. Gonzalez</p> <p>National Coordinator: Nathalie Vela (from May 2022)</p>
	<p>4th ISID Forum: Peru announced as the third PCP pilot country (Dec 2015).</p> <p>Mission to Peru formulated to define the implementation modalities and assess the interest of public, private, and multilateral institutions in partnering with UNIDO and the Ministry of Production (Jan 2016).</p>	<p>Official Launch of PCP Peru Programming Phase, chaired by the Minister Giuffra and the Minister of Foreign Affairs (Sep 2016). Minister Giuffra signs the PCP Inception Phase Agreement.</p> <p>First meeting of the National Advisory Board and the preparatory meeting for the Partner Donor</p>	<p>Meeting of the Multisectoral Commission for Productive Diversification, chaired by Peru's Vice-Minister Dávila. Proposal to establish a sub-group within the Commission to host the PCP Peru National Advisory Board (Sep 2018).</p> <p>Presentation of the UNIDO 2018 Industrial Development Report to key public and private sector stakeholders, hosted by the Ministry Pérez-Reyes and the Chamber of</p>	<p>PCP Peru's Partner and Donor Working Group holds its first (virtual) meeting, chaired by Minister Chicoma (Feb 2021).</p>	<p>Signature of the new UN Sustainable Development Cooperation Framework for Peru covering 2022-2026, which recognizes UNIDO's contribution to ISID and Peru's broader national development objectives, notably</p>

	Phase 0: Identification phase 2015 - 2016	Phase 1: Inception phase (2016-2018)	Phase 2: Implementation Phase (2018-2022)		
	Jul 2011- Jul 2016	Jul 2016 - Mar 2018	Mar 2018 - Nov 2020	Nov 2020 - Jul 2021	Jul 2021 – Dec 2022
	<p>Minister Ghezzi signed the Joint Declaration between UNIDO and the Ministry of Production regarding Peru’s participation in the UNIDO PCP (Dec 2015).</p> <p>First technical mission to Peru: consultation with Government and partners on the PCP technical framework (March 2016)</p>	<p>Working Group (June 2017).</p> <p>6th ISID Forum held in Vienna, attended by the Peruvian delegation (Nov 2017).</p> <p>Minister Olaechea approves the PCP Proposal (Nov 2017).</p> <p>PCP Peru Programme Document endorsed and five priority projects selected by the Government of Peru for initiating the Implementation Phase (Dec 2017).</p>	<p>Commerce of Lima (Sep 2018).</p> <p>Vice-Minister Dávila participates in the Advanced Session of the 7th ISID Forum (Nov 2018).</p> <p>Ministry of Production established a Multi-Sectoral Commission in 2019 to take on the strategic role of the PCP Advisory Board.</p> <p>Visit of General Director of UNIDO Li Yong (Jun 2019).</p> <p>Meeting of the Multi-sectoral Commission. Decision to further align the PCP with the government’s priorities as outlined in the new National Plan of Competitiveness and Productivity 2019-2030 (Nov 2019).</p>		<p>through the PCP (Sep 2021).</p>

Annex F: List of people interviewed

Interviewee	Organization/ Position / Role with PCP	Phase
UNIDO		
Mr. Jaime MOLL DE ALBA	Director of Division of Regional Bureaus and Field Offices, Directorate Global Partnerships and External Relations	Inception phase
Mr. Johannes DOBINGER	Former UNIDO Representative Colombia (covering Peru) (2014-2019)	Inception phase
Ms. Carolina GONZALEZ-MUELLER	UNIDO Representative Colombia/PCP Peru Manager (From nov 2021-present)	Inception and evaluation phases
Mr. Cristiano Pasini	Former UNIDO Representative Colombia / PCP Peru Manager (2019-2020)	Evaluation phase
Ms. Petra SCHWAGER	Former PCP Peru manager (2015-2019)	Inception and evaluation phases
Ms. Nathalie Vela	PCP Peru National Coordinator (from May 2022)	Evaluation phase
Mr. César Llona	Former PCP Peru National Coordinator (2019-2022)	Inception and evaluation phases
Mr. Franz Baumann	Former PCP Peru National Coordinator (2017- 2018)	Inception and evaluation phases
Mr. Christian SUSAN	Project Manager, SIZ Project (GEF) and Global Eco Industrial Park (SECO)	Evaluation phase
Mr. César Barahona	Project Manager, Consultant in Industrial Park projects	Evaluation phase
Ms. Meryem Sghir	GEF/Food security project in the Amazonian forests	Evaluation phase
Mr. Juan Pablo Dávila	Former Project manager of SECO projects	Evaluation phase
Mr. Fernando Santiago	Former project manager, industrial policy component	Evaluation phase
UN entities		
Ms Mónica Oliveros	FAO -Food and Agricultural Organization, Task manager of GEF Portfolio in Peru	Evaluation phase

Interviewee	Organization/ Position / Role with PCP	Phase
Ms Maemi Chinen	IFAD- International Fund for Agricultural Development, Official of Climate Change – Counterpart for WEE GEF Project	Evaluation phase
Mr. Mauricio Dierckxsens	ILO – International Labor Organization, Specialist in employment for Andean countries (Ecuador, Venezuela, Colombia, Bolivia, Peru), Coordinator of PAGE project	Evaluation phase
Peruvian Government		
Mr. Marco Velarde	Ministry of Production, Former Vice Minister of MSME and Industry (2017-2018)	Inception phase
Mr. Juan Carlos Mathews	Ministry of Production, Former Vice Minister of MSME and Industry (Jul 2016-May 2017)	Evaluation phase
Mr. Javier Dávila	Ministry of Production, Former Vice Minister of MSME and Industry (2018-2019, 2023)	Evaluation phase
Mr. Darwin Pardave	Ministry of Production, Technical Secretary of National Advisory Board of PCP Peru	Evaluation phase
Mr. Luis Guillén	Ministry of Production, General Director of Environment Affairs for the Industry (DGAAMI)	Evaluation phase
Mr. Luis Antonio García	Ministry of Production, General Director of Industrial Policy	Evaluation phase
Ms. Lourdes Alvarez	Ministry of Production, Director of Economic Studies	Evaluation phase
Mr. Iván Vasallo	Ministry of Production, Former General Director of Programa Nacional de Diversificación productiva (PNDP)	Evaluation phase
Mr. Ricardo Silva Santisteban Mr. David Celis Mr. Oscar Cajo Gutarra	Ministry of Foreign Affairs, Director of International Relations (from July 2022) Ministry of Foreign Affairs, Sub Director of International Relations (from July 2022) Team Member (From August 2021)	Evaluation phase
Ms. Clara Gálvez Mr. Jorge Trello	INACAL – Instituto Nacional para la Calidad, President Project manager of GQSP	Evaluation phase
Mr. Javier Rosas del Portal	National Coordinator of GEF - Sustainable Industrial Zone Project	Evaluation phase
Ms. Carla Paredes Liz Rosales / Jaime Varillas	Ministry of Economy and Finance – National Competitiveness and Formalization Council (CNCF), Counterpart of PAGE Project	Evaluation phase

Interviewee	Organization/ Position / Role with PCP	Phase
Jorge Urbina	National Coordinator of eco-industrial park (from Oct 2020)	Evaluation phase
Business sector		
Ms. Silvia Hooker	SNI – Sociedad Nacional de Industrias, Manager of International Affairs	Evaluation phase
Mr. Carlos García	SNI- Sociedad Nacional de Industrias, General Manager Chamber of Commerce of Lima (CCL), Former General Manager	Evaluation phase
Pola Guanilo Rocio Guanilo	R&G Seguridad e Higiene Industrial SAC , General manager R&G Seguridad e Higiene Industrial SAC, Director of Research and Innovation	Evaluation phase
Melina Rivera	Reactivos Nacionales SA (RENASA), Chief of Safety and Environment	Evaluation phase
Rodomiro Melgarejo	Fundación Ventanilla SA (FUNVESA), Chief of Operations	Evaluation phase
Mr. Marcos Alegre	GEA, President of GEA Group	Evaluation phase
Partners and donors		
Mr. Mauricio Chiaravalli	SECO, Deputy Director of Economic Cooperation and Development Peru	Evaluation phase
Alvaro Quijandria	International Finance Corporation, Consultant for Regional and Peruvian Portfolio	Evaluation phase

Annex G: List of documents reviewed

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Annex 6: Evaluation Terms of Reference

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE

INDEPENDENT EVALUATION

OF THE

PROGRAMME FOR COUNTRY PARTNERSHIP IN PERU

Independent Evaluation Division
Office of Evaluation and Internal Oversight

Vienna, July 2022

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I. INTRODUCTION

UNIDO's mandate for Inclusive and Sustainable Industrial Development (ISID) is anchored in the 2013 Lima Declaration and within the internationally agreed 2030 Agenda for Sustainable Development. The Sustainable Development Goal (SDG) 9 - *Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation* remains at the core of UNIDO's mandate and working agenda. In December 2021, Gerd Müller took office as the Director General of UNIDO, reiterating the need to address current global challenges and the importance of UNIDO's contribution to the achievement of the SDGs¹⁹ and the objectives of the Paris Agreement²⁰.

With the aim to accelerate ISID in Member States, UNIDO first introduced the Programme for Country Partnership (PCP) in 2014, a tailored and integrated approach based on a multi-stakeholder partnership. The PCP provides technical assistance along with analytical and advisory services to the government on industry-related issues. It also offers convening services and facilitates the overall coordination of the programme.

Strong government ownership at the highest political level and leadership are essential features of UNIDO's PCP model, which focuses on selected priority sectors or areas essential to the government's industrial development agenda. These are typically selected based on job creation potential, availability of raw materials, export potential and ability to attract investment.

Facilitating the mobilization of different streams of resources - public finance, business sector investment and development assistance - is another key feature of the programme, where the host government takes the leading role, in part through the direct allocation of its resources and in part through loans, e.g. for industrial infrastructure development.

By facilitating the pooling of resources, coordinated actions and joint initiatives, the PCP, supported by the United Nations resident coordinators at the country level, does also play a key role in joint efforts of the United Nations development system to achieve the Sustainable Development Goals and the success of the 2030 Agenda.

In 2014, Ethiopia and Senegal were selected as the first two pilots of the programme. In December 2015, Peru became the third PCP pilot country. The new model progressively expanded to Cambodia, Egypt, Morocco and Zambia and was approved for development in Nigeria. While Kenya initiated a self-starter PCP, four additional PCPs, namely in Côte d'Ivoire, Kyrgyzstan, Rwanda and United Republic of Tanzania are under programming.

At the Organization level, UNIDO has promulgated the UNIDO Policy on the Programme for Country Partnership (PCP)²¹ and UNIDO Guidelines on the Programme for Country Partnership to explain the different phases of the programme and to define the tasks, roles and responsibilities of UNIDO staff throughout the lifetime of the PCP.²² The Policy and Guidelines are supported by a comprehensive set of operational instructions and templates.

In line with the PCP guidelines and in order to close the accountability and learning cycle, each PCP must undergo an independent evaluation, to assess the alignment of the programme design with the PCP framework and the performance of PCP-related activities in the concerned country. PCP evaluations also aim at assessing UNIDO's contribution to transformational change in the respective country and to extract recommendations and lessons for the design and implementation of PCPs initiated or planned elsewhere.

¹⁹ <https://www.un.org/sustainabledevelopment/>

²⁰ <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

²¹ UNIDO Policy on the Programme for Country Partnership, DGB/2018/04, 23 February 2018

²² UNIDO Guidelines on the Programme for Country Partnership, AI/2018/01, 23 February 2018

In 2017, the Office of Evaluation and Internal Oversight (EIO) conducted an independent mid-term evaluation of UNIDO's Programme for Country Partnership (PCP)²³. Based on a rather short pilot phase (2015-2017) its purpose was to draw first lessons and further improve the PCP concept and framework. Independent evaluations of the PCP Ethiopia²⁴ and PCP Senegal were conducted in 2019 and 2022.

With the independent evaluation of the Programme for Country Partnership in Peru, included in the approved EIO Evaluation Work Plan 2022-2023, the first three pilot PCPs will have been independently evaluated.

II. NATIONAL CONTEXT²⁵

Located in Western South America, bordering the South Pacific Ocean, between Chile and Ecuador, Peru has a total area of 1,285,216 square km and a coastline of 2,414 km. It is located entirely in the tropics but features desert and mountain climates as well as tropical rainforests. Peru has a population of 33.8 million inhabitants, one-third of whom live along the desert coastal belt in the west, with a strong focus on the capital city of Lima.

Peru's economy: development and outlook

Peru has reached the status of an upper-middle-income economy, following two decades of remarkable economic growth. This is largely attributed to Peru's sound macroeconomic policies and economic openness, resulting in renewed investor confidence and improved infrastructure to support Peru's competitiveness and productivity growth.

Peru has solid macroeconomic fundamentals, including a relatively low public debt to GDP ratio, considerable international reserves, and a solid central bank. Peru's economy rebounded strongly in 2021, but poverty reduction was slowed by structural rigidities in the labor market and inflation that increased by 4.3% in 2021. GDP growth is expected to return to its pre-pandemic trend of around 3% annually in 2022, as the boost from favorable export prices compensates for political uncertainty. However, poverty is expected to remain well above its 2019 level.

After a strong recession in 2020, real GDP grew 13.3 percent in 2021, reaching its pre-pandemic level. The recovery was led by domestic demand, supported by the expansion of both public and private expenditure. While employment levels have almost returned to the pre-crisis levels, this was largely driven by low quality jobs in the informal sector. Lower quality of employment has led to a reduction of household income, and by the end of the year, the average wage was still 13 percent below that registered in 2019. Mainly driven by the rebound in GDP, poverty declined by an estimated 4.6 percentage points in 2021, reaching 28.3 percent, still well above its level in 2019.

The public deficit decreased from 8.9% in 2020 to 2.6% in 2021, one of the fastest fiscal consolidations in the region. This reduction was mainly driven by a 40 % real increase in public revenues, as a result of higher tax collection from mining companies, the effect of some administrative measures, and prepayment of some tax fines. Public debt reached 36 percent of GDP, just slightly above its 2020 levels.

The economy is expected to expand about 3.4 % in 2022, mainly driven by higher export volumes, while domestic demand will gradually decelerate. Exports will be supported by the entry into operation of important copper mines. Capital spending on mining will continue to support private investment due to the continuation of some large investment projects, offsetting the effect of low business confidence. In addition, the recovery of the formal labor market, and the gradual

²³ UNIDO. (2017). Independent mid-term evaluation of UNIDO's Programme for Country Partnership (PCP) (ODG/EVQ/IEV/17/R.6, December 2017)

²⁴ https://intranet.unido.org/intranet/images/9/98/PCP-ETH_2015-2019_TE-2019_Ebook.pdf

²⁵ The World Bank Group (last updated: May 3, 2021).

normalization of activities, is expected to support an increase in private consumption. The current account deficit is expected to decline after 2022, mainly reflecting the combined effect of increasing exports and the slowdown in imports, in a context of a moderation in domestic demand.

The challenge for the Peruvian economy lies in accelerating GDP growth, promoting shared prosperity, and providing citizens with protection against shocks, both generalized and individual. To this end, the government must strengthen provision of public services and regulatory quality, generate protection plans, provide improved connectivity infrastructure and formulate policies to reduce rigidities in factor and product markets.²⁶

Peru is engaged in numerous free trade agreements at the multilateral, regional or bilateral levels, including the World Trade Organization, the Pacific Alliance, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and agreements with the European Union, China and the United States of America, among others. According to the Ministry of Foreign Trade and Tourism, in 2018, total exports from Peru reached a record high of US\$ 47,709 million.²⁷

Political / Social context

Since 2017 Peru has been in a period of political instability. In June 2021, amidst the Covid-19 Pandemic, Pedro Castillo was elected as President of Peru. His government faced an unstable beginning and inflation of basic goods, alongside increasing fertilizer and fuel prices as a result of Western sanctions on Russia, led to mass protests again Castillo's government in March 2022.

In 2021 the Government launched the "Bicentennial Plan: Peru towards 2021"²⁸ a strategic plan that aims to drive Peru towards an inclusive, sustainable and planned development model. This plan, designed by the Central Planning Agency (CEPLAN), outlines the roadmap and objectives for 2021. It identifies 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 UN in Peru

In Peru, the United Nations system consists of the UN agencies, funds, and programmes established in the country²⁹. The UN country team (UNCT) is led by the Resident Coordinator and comprised of representatives of these UN entities. All these organizations have a presence in Peru based on the country's development priorities. They provide support according to their mandate and specialty, through technical cooperation projects, research applied to development, and technical support for the development of national capacities, among other mechanisms.

In addition to the activities of each organization, the United Nations system in Peru works in a collaborative and coordinated manner on essential issues that have been identified by the international community and the country itself: Sustainable Development Goals (SDGs), human rights, gender equality, HIV/AIDS, among others.³⁰

In September 2021, the Government signed the new UN Sustainable Development Cooperation Framework (UNSDCF) for Peru covering 2022–2026, which recognizes UNIDO's contribution to ISID and Peru's broader national development objectives, notably through the PCP.³¹

²⁶ <https://www.worldbank.org/en/country/peru/overview#1> (updated April 12, 2022)

²⁷ <https://www.unido.org/programme-country-partnership/peru>

²⁸ Plan Bicentenario: El Perú hacia el 2021' (Plan 2021)

²⁹ List of UN agencies, funds and programmes in Peru <https://peru.un.org/es/about/un-entities-in-country>

³⁰ <https://unsdg.un.org/un-in-action/peru>

³¹ <https://www.unido.org/programme-country-partnership/peru>

III. THE PCP PERU³²

PERU PCP FACT SHEET

National policy framework	Plan Bicentenario: El Perú hacia el 2021 (Plan 2021) National Plan of Competitiveness and Productivity (2019-2030)
Status	Approval by Executive Board: November 2015 Programming: January 2016 – December 2017 Expected completion: 31 December 2022 ³³
Priority areas	<ul style="list-style-type: none"> - Quality and Innovation - Value chain and enterprise development - Sustainable industrial parks and zones - Industrial Resource and Energy Efficiency and Renewable Energy
Partners / National public sector	<ul style="list-style-type: none"> - Ministry of Production (PRODUCE) - Ministry of Finance and Economy - Ministry of Foreign Trade and Tourism - Ministry of Environment - Ministry of Foreign Affairs - Ministry of Transport and Communications - National Finance Corporation (COFIDE)
Partners / National private sector	<ul style="list-style-type: none"> - National Association of Industries (SNI) - Lima's Chamber of Commerce (CCL) - Exporters Association (ADEX)
Key development partners	<p><u>Financial institutions:</u></p> <ul style="list-style-type: none"> - Inter-American Development Bank - World Bank - International Finance Corporation - Development Bank of Latin America (CAF) - Global Environment Facility (GEF) <p><u>Bilateral/multilateral partners:</u></p> <ul style="list-style-type: none"> - Switzerland (SECO) - China - Austria - Germany (GIZ) - Republic of Korea - Japan - Spain - European Union, - Global Environment Facility (GEF) <p><u>UN entities:</u> FAO, ILO, UNDP, IFAD</p>
UNIDO projects with funding secured (completed and ongoing)	Total number of projects: 13 (6 national, 7 regional/global) Total funding excl. psc. US\$: 16.3 million
Total investments leveraged ³⁴ (cumulative)	US\$: 173,805,378 ³⁵
Total PCP financing	US\$: 190,146,255 (as of June 2022)

³² <https://www.unido.org/programme-country-partnership/peru>

³³ Planned end date (<https://open.unido.org/projects/PE/projects/150413>)

³⁴ 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 channelled through UNIDO's accounts and accordingly not under the Organization's direct control.

³⁵ PCP Peru Annual Report 2020 (to be updated as per figures of the AR 2021)

The Programme for Country Partnership (PCP) for Peru was initiated in December 2015 under the initiative of the Government of Peru, and with the signing of a Joint Declaration to accelerate Inclusive and Sustainable Industrial Development (ISID) in the country. It rests on a multi-stakeholder partnership between development partners, UN agencies, financial institutions, and the business sector, under the overall leadership of the Government of Peru.

The programme, which contributes to the development of a modern, competitive and inclusive industry in Peru, is aligned with the country's main development policy framework "*Plan Bicentenario: El Perú hacia el 2021*" (Plan 2021), a strategic plan aimed to drive Peru towards an inclusive and sustainable development model. Furthermore, *Peru's National Plan of Competitiveness and Productivity (PNCP) 2019-2030* reflects two key initiatives that started within the PCP Peru: the development of the National Strategy for Industrial Park Development and the National Road Map for Circular Economy.

The PCP Peru implementation phase started in April 2018 with several technical projects launched within the programme's priority areas. PCP Peru focuses on four main areas:

- (i) quality and innovation;
- (ii) value chain and enterprise development;
- (iii) sustainable industrial parks and zones; and
- (iv) Industrial resource and energy efficiency and renewable energy.

The programme also supports cross-cutting areas such as policy development and gender mainstreaming.

The year 2020 marked a new stage and renewed impetus in cooperation with the Government of Peru, with proposals received from PRODUCE and other actors, for the development of new initiatives (in the areas of circular economy, science and technology parks and aquaculture) within the framework of the PCP, aligned with national priorities.

The PCP Peru Coordination Structure

National Advisory Board

In 2019, the Ministry of Production (PRODUCE) established a Multi-Sectoral Commission through a Presidential Decree, to take on the strategic role of the National PCP Advisory Board. The Board is composed of the Ministry of Production, the Ministry of Foreign Affairs, the Ministry of Foreign Trade and Tourism, the Ministry of Environment, and the Ministry of Transport and Communications. Since March 2020, the national PCP Coordination Office is located at the premises of the Ministry of Production (PRODUCE) in Peru.

Partner and Donor Working Group (PDWG)

Established in 2021, under the auspices of the Ministry of Production, the PDWG serves as the main focal point for coordination with bilateral and multilateral partners, including financial institutions, regarding resource mobilization and allocation for the PCP. It includes representatives from public institutions, field offices of partners and donors, private sector associations, as well as financial establishments. UNIDO acts as a technical advisor to the Partner and Donor Working Group, helping to facilitate coordination and complementarities between the various donor and partner interventions. In February 2021, the PDWG held its first (virtual) meeting, chaired by the Ministry of Production.

UNIDO's role and coordination structure

Through the PCP, UNIDO provides advisory services to the government on industry-related issues and is supporting the development of a new industrial policy. It delivers multidisciplinary technical assistance and facilitates overall coordination and the convening of partners. The various technical

projects and programmes under the PCP Peru umbrella are implemented by UNIDO and other development partners, and coordinated through national governing bodies.

The PCP Peru Programme Manager, and UNIDO's Representative for Peru, is based at the UNIDO Country Office in Bogotá and leads the coordination and implementation of the programme, together with a multidisciplinary technical team, based at the Organization's headquarters in Vienna.

The UNIDO Country Office (CO) in Bogotá, Colombia, covers additional countries, namely Peru, Colombia, Guyana and Suriname. It currently comprises a UNIDO Representative (UR), a National Coordinator of the PCP Peru, one Office Assistant, and one senior driver. The current UNIDO Representative was appointed on 10 December 2021³⁶. From the inception phase till April 2020, a UNIDO HQ staff was the PCP manager, followed by the previous UR in the UNIDO Country office in Colombia.

IV. EVALUATION PURPOSE AND OBJECTIVES

The main purpose of the independent evaluation of the PCP Peru is to assess the design of the programme against the PCP framework, the results and performance of PCP activities, and the extent to which the PCP Peru contributes to transformational change in the country.

The evaluation will be carried out as a forward-looking exercise, outcome and impact oriented, utilization focused and highly participatory. It seeks to identify best practices and areas for improvement and to draw lessons on how the PCP's performance and impact can be enhanced.

The key users of this evaluation will be the Government of Peru, UNIDO management and staff both at Headquarters and at the country office in Colombia (covering Peru), counterpart agencies and other stakeholders cooperating with UNIDO in the Peru.

V. SCOPE AND FOCUS OF THE EVALUATION

The independent PCP Peru evaluation will cover all UNIDO PCP related interventions during the period 2016 to 2022³⁷. It aims at providing triangulated evidence, at generating key findings, drawing lessons and at providing a set of useful recommendations, including inputs for management to consider whether the PCP should be continued and under which conditions. These recommendations will lead to the formulation of Management Action Plans to ensure concrete and traceable follow-up action.

The evaluation will seek to ascertain the relevance, coherence, effectiveness, efficiency and sustainability of the PCP Peru and to assess to what extent it contributes to inclusive and sustainable industrial development in the country. Strong emphasis of the evaluation will be put on the PCP as an innovative model and approach for UNIDO cooperation at the country level.

VI. EVALUATION APPROACH AND METHODOLOGY

This evaluation will be conducted in accordance with the Charter of the Office of Evaluation and Internal Oversight³⁸ and the UNIDO Evaluation Policy³⁹ and will adopt a participatory approach to optimize the involvement of all stakeholders, the Government, relevant national counterparts, donors and beneficiaries as well as UNIDO and project staff.

The evaluation will use a theory of change approach and mixed methods to collect data from a variety of sources and informants. It will pay attention to triangulating the data and information

³⁶ UNIDO. (2018). Information Circular. Senior Staff Appointment (UNIDO. IC/2021/31, 10 December 2021).

³⁷ Planned end date of the PCP Peru is December 2022.

³⁸ UNIDO (2020). Director General's Bulletin: Charter of the Office of Evaluation and Internal Oversight (DGB/2020/11, 11 December 2020)

³⁹ UNIDO. (2021). Director General's Bulletin: Evaluation Policy (DGB/2021/11, 21 September 2021)

collected before forming its assessment to ensure an evidence-based and credible evaluation, with robust analytical underpinning.

The evaluation will consider the independent mid-term PCP evaluation (2017) and the evaluations of the other pilot PCPs, namely Ethiopia and Senegal, conducted in 2019 and 2021/2022 respectively. It will review evidence of follow up to relevant recommendations from the mid-term evaluation conducted in 2017 and the use of lessons learned by UNIDO programme management of relevant past evaluations⁴⁰.

The evaluation team will assess the validity of the PCP theory of change developed during the PCP mid-term evaluation, review the ToC assessment of the PCP Peru case study (2017) and, if necessary, reconstruct a revised theory of change. The theory of change will provide an analytical framework against which the PCP Peru will be assessed. It will identify causal and transformational pathways from the outputs to outcomes and longer-term impacts. It will also analyze the importance of external factors (risks, assumptions, drivers and pre-conditions) for the achievement of results. The learning from this analysis will be useful to inform the way forward for the future cooperation of UNIDO with the country.

The Evaluation of PCP Peru will be conducted from August to December 2022 and implemented through the following phases, which are not strictly sequential, but in many cases interactive, conducted in parallel and partly overlapping.

- i. Inception phase
- ii. Desk review and data analysis
- iii. Field mission / Interviews
- iv. Preliminary findings, conclusion, recommendations, lessons learned
- v. Draft report and factual validation from stakeholders (including UNIDO management, donors, steering committee and government counterparts)
- vi. Final report

These evaluation terms of reference provide some information on the methodology, but are not exhaustive. The evaluation team will elaborate further on an appropriate and more detailed methodology, presented in the inception report.

As to data collection, the evaluation team should use a variety of methods ranging from a literature review (project and programme documents, progress reports, mission reports, technical reports, UNIDO Open Data Platform, evaluation reports) to individual interviews, focused group discussions, statistical analysis, surveys and direct observation at project sites. The evaluation team should ensure that the findings are evidence based. This implies that all perceptions, hypotheses and assertions obtained in interviews will be validated through secondary filtering and cross checks by a triangulation of sources (a broad range of stakeholders including government counterparts, private sector representatives, policy makers, other UN organizations, multilateral organizations, bilateral donors, implementing partners and the beneficiaries), methods, data, and theories.

The data collection and analysis tools will be developed by the evaluation team during the inception phase.

VII. EVALUATION QUESTIONS AND REVIEW CRITERIA

The evaluation of the PCP Peru will use project data to analyze how the design, implementation, monitoring and evaluation of the PCP and its UNIDO Technical Cooperation (TC) portfolio has contributed and continues to contribute to the PCP's objectives.

⁴⁰ A list of reference evaluations is provided in Annex 10.

The evaluation will use the UNIDO evaluation criteria (relevance, coherence, effectiveness, efficiency, sustainability, and impact) as well as gender equality, environmental sustainability, human rights and social inclusion. The indicative evaluation questions are:

- 1) To what extent was the PCP Peru designed and implemented in accordance with the core features of the PCP model?
- 2) What is the added value of the PCP Peru to the country's national development strategies (Bicentennial Plan: Peru towards 2021; National Plan of Competitiveness and Productivity 2019-2030)?
- 3) What are the key results of the PCP?
- 4) How well has the PCP performed in terms of relevance, coherence, effectiveness, efficiency, sustainability, impact and other cross-cutting issues (human rights and social inclusion)?
- 5) To what extent were potential synergies built into the design of the PCP?
- 6) Is the PCP likely to contribute to transformational change? Did it contribute to advancing ISID in Peru?
- 7) Has the PCP established a solid partnership, including financial commitments of national and international partners and is this partnership sustainable?
- 8) What was UNIDO's contribution to the achievement of PCP objectives? What was UNIDO's comparative advantage? Were UNIDO roles and responsibilities clearly defined?
- 9) To what extent was the gender dimension considered in the PCP?
- 10) To what extent was the environmental impact of the PCP considered?
- 11) What are the key drivers and barriers to achieving the objectives of the PCP?
- 12) Have the recommendations of the PCP mid-term evaluation been implemented?
- 13) How has the PCP contributed to the achievement of SDGs in the national context?
- 14) Will results and benefits of the PCP be sustained after completion of the programme?
- 15) How did the PCP Peru adapt to new realities and priorities resulting from the Covid-19 pandemic and other external factors? How did it respond to COVID-19 challenges?
- 16) How does the PCP fit into the UNSDCF?

The ET will further revise the evaluation questions, assess their evaluability in light of availability of information and resource constraints and develop an evaluation matrix in the inception report.

VIII. TIME SCHEDULE AND DELIVERABLES

The PCP evaluation is scheduled to take place between July/August 2022 and January 2023.

Activity	Responsibility	Estimated month
Preparation of evaluation terms of reference	EIO	June 2022
Identification and recruitment of evaluation team (ET) members	EIO	June/July 2022
Literature review and preparation of evaluation methodology	ET	August/September 2022
Inception report	ET	September 2022
Field Work: Interviews with UNIDO HQ staff and Field mission in Peru ⁴¹ ; Presentation of preliminary findings to Field stakeholders	ET, supported by PCP team and UNIDO Country Office in Colombia	September 2022
Preparation of draft report	ET	October 2022

⁴¹ Due to COVID-19 context, Field mission would depend on health and safety restrictions. Remote engagement with field stakeholders will be considered.

Activity	Responsibility	Estimated month
Presentation of preliminary findings at UNIDO HQ	ET	October 2022
Review of draft evaluation report, based on stakeholder feedback and submission of final report	ET	October 2022
Issuance of final report	EIO	October/November 2022

IX. EVALUATION TEAM COMPOSITION

The evaluation team comprises:

- 1) One senior international evaluator and team leader
- 2) One national evaluation consultant with strong expertise in evaluation and developmental cooperation
- 3) An EIO Evaluation staff member, who will act as evaluation manager and team member.

The tasks of the evaluation consultants are specified in the job descriptions included in the terms of reference. All members of the evaluation team must not have been involved in the design and/or implementation, supervision and coordination of any intervention to be assessed by the evaluation and/or have benefited from the programmes/projects under evaluation.

X. QUALITY ASSURANCE

All UNIDO evaluations are subject to quality assessments by the UNIDO Office of Evaluation and Internal Oversight. Quality control is exercised in different ways throughout the evaluation process (briefing of consultants on evaluation methodology and process, review of inception report and evaluation report). The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality in annex 3 to these evaluation terms of reference.