

ENRTP STRATEGIC COOPERATION AGREEMENTS

ANNEX 4 – PROGRESS PROJECT REPORT

Reporting Period **January 2012 - December 2012¹**

DESCRIPTION

ENRTP Priority	EC Directorate General	DG ENV
Programme of Work	ECL 2G55 62-P3: Resource Efficiency and Eco-Innovation in Developing and Transition Economies (2012-2013: 631)	
Project's Title	Resource Efficiency and Eco-Innovation in Developing and Transition Economies (REEDTE)	
Location	Latin America Caribbean, Africa, Asia Pacific, Europe and West Asia regions	
Total duration	48 months	

Responsible Entity	DTIE/SCP/BIU
UNEP/MEA Project Manager	Garrette Clark
EC Project Manager	Paola Migliorini (DG ENV)

Date of EC Approval:	16/02/2012		
EC Allocation (EUR):	885,000 (Year 1: June 2012-May 2013)		
Date of Allocation/Transfer:	n/a		
Amount (USD)	1,180,000 ²	Exchange Rate:	USD \$1 = EUR 0.75
Total Expenditures (USD)	169,086	Total Expenditures (EUR)	126,815

SUMMARY PROJECT STATUS

Summarize: i) the status of implementation of the project at the time of reporting (global overview on the project implementation since its start); ii) progress towards achieving the project's objectives; iii) performance remarks and highlights.

(i) **Global overview on project implementation:** The DG ENV activities of the project commenced in June 2012, so the reporting period covers the first six months of the project. During this period, the focus was on putting the necessary project framework and resources in place. The project foundation was established, notably with the development of the work plan, which was drawn up and communicated to DG ENV and DEVCO. The recruitment of core project staff is ongoing at the time of this reporting (and temporary staff are in place), initial mapping exercises to identify resources and relevant technical experts and institutions were carried out, and communication materials developed. Where sub-activities and delivery dates were refined, notably to align with DEVCO approval and financing, these were done in coordination with DEVCO and ENV.

Project Output A (UNIDO-UNEP RECP service provider networks strengthened, expanded and enhanced in their capacity to provide technical support services on RECP eco-innovation): Under this component, good progress was made on the initial steps for development of the Eco-Innovation Manual. The technical institution for the output was engaged, a draft outline developed and validated at a first expert review group meeting, which took place in December 2012.

Project Output B (RECP mainstreaming in existing environmental and industrial development policy and planning regimes promoted to facilitate the transition towards sustainable consumption and production, resource efficiency and green economy): The framework for taking this component forward was in place by December 2012. In addition to the policy-focused publication envisioned in the project document, it was decided to undertake a second publication in parallel, in order to build upon and recognise the importance of technology transfer within the topic of eco-innovation. As a result, two sets of ToR were drafted in order to take forward recruitment of technical experts in

¹ Activities commenced in June 2012, therefore report covers activities from June - December 2012.

² Original rate applied was 0.763. Therefore the project document and budget documents shared with DG ENV and DG DEV to date have displayed \$1,159,895 as total in USD for YR 1.

January 2013 for both publications (*Mainstreaming Sustainable Consumption and Production Policy for Eco-Innovation*, and *Moving Ahead with Technologies for Eco-Innovation*). Scoping missions to identify and engage relevant experts were initiated. Project staff attended an Eco-Industrial Park conference in June 2012 to begin identifying experts and opportunities for synergies with ongoing activities. Where appropriate, this and other outputs are being strategically linked to ongoing work under the 10-Year Framework of Programmes on Sustainable Consumption and Production patterns (10YFP) adopted by Heads of State at Rio+20.

Project Output C (*Business case for resource efficiency and eco-innovation technologies of existing innovative applications in SMEs developed and promoted, and demonstration projects on RECP eco-innovation application in industries with a focus on SMEs supported*): Good progress has been made in developing the Business Case for Eco-innovation and all activities are on track. During the reporting period, the technical expert was brought on board and a draft outline of the publication submitted.

Project Output D (*Support to the global UNEP-UNIDO network on RECP, through global and regional network conferences and to the secretariat provided*): Related global and regional networking took place in the 6 month period and helped established firm project foundation and activity planning. These include engagement with UNIDO within the framework of the UNIDO UNEP RECP Programme for overall project and events planning, preparation underway for the EC UNEP Eco-Innovation Forum for November 2013, and presentation of the REEDTE project at relevant events for awareness-raising and engagement purposes.

(ii) Progress towards achieving the project's objectives: Good progress towards achieving the project's four objectives was made and all anticipated sub-activities with deliverables for the end of 2012 were completed. ENV sub-activities focus on the development of core materials – manuals, guidelines and a publication – setting the stage for engagement at the regional and national levels. DEVCO sub-activities, which cover national-supported actions, were aligned to take place in year 2 of the project (after June 2013), in close coordination with DEVCO and ENV. In terms of project engagement efforts, the regional offices which will play an instrumental role in project implementation were engaged in project foundation activities. EC colleagues were engaged for relevant other EC projects and networks, and technical experts and institutions were engaged in initial project scoping activities. Many of the experts engaged for the various review groups were identified through these processes.

(iii) Performance remarks and highlights: As a supplement to the specific sub-activity and project progress noted above, performance highlights include the following:

- Core project foundations in place (work plan drawn up, temporary consultants onboard and recruitment of core project staff in process, communications material produced and disseminated).
- Technical institutions and experts involved in the development of the *Eco-Innovation Manual*, *Mainstreaming Sustainable Consumption and Production Policy for Eco-Innovation*, and *The Business Case for Eco-Innovation* (three core outputs) were on board by end of December. The recruitment process for the additional technology transfer publication, *Moving Ahead with Technologies for Eco-Innovation*, was ongoing.
- The first expert workshop to validate the Eco-Innovation Manual outline, held on 5 December 2012.
- Regular, effective communication established with DG ENV and DEVCO on project activities.

CHALLENGES, MANAGEMENT ACTIONS, RISK MITIGATION PLAN:

Summarize main implementing challenges, if any, and strategy/actions which have been adopted to address them. List potential risks (internal and external) that may jeopardize the implementation of activities and/or the achievement of outputs and outcomes; please explain which actions have been planned to mitigate the identified risks.

Due to the fact that the project is at an early stage, no significant implementation challenges regarding ENV components of the project have arisen to date. Potential risks and planned mitigation actions include the following:

Joint Directorate project management and funding: As the project is supported by both ENV and DEVCO there are challenges in project management. Some sub-activities are supported by ENV and others by DEVCO. The refined proposal submitted at the end of 2012 reflected a mutually agreed upon approach to carry out the project. Efforts were made to ensure that DEV funded sub-activities dove-tailed with ENV supported efforts that started in 2012. Assumptions are made that DEVCO approval and financing would enable a June 2013 start date for DEV funded sub-activities. The foundation for all sub-components have been carried out or re-positioned to start when financing is anticipated. Should these assumptions not be correct, refinements would be necessary. As on-going project management has been carried out in a transparent and engaged process with both directorates, any unforeseen challenges can be addressed.

Procurement issues: A new UNEP procurement process which will affect publication production (layout, printing) involving longer timelines could lead to delays in products being available for dissemination and training events. The process has been started well in advance in order to meet the timelines required. Products can also be made available electronically for participants pending final publication. Hence these challenges can be addressed.

OUTCOME SUMMARY

Provide for each outcome listed in the project document the description, the indicator, progress made/result achieved (focus on the current reporting period only).

The project outcome is: *The transition towards sustainable industrial production systems in developing countries and transition economies is supported through the promotion of resource efficient and cleaner production based on eco-innovation.*

Indicators include the number of NCPCs/NCPPs adding technical support services on RECP eco-innovation; the number of businesses more prepared to implement innovative applications to products and processes that promote RECP eco-innovation, and number of policies and strategies for mainstreaming RECP eco-innovation reviewed by the project.

In terms of progress made during the current reporting period, project implementation is still at an early stage, just 6 months into the project's life span. The building blocks necessary to achieve these results have been put in place.

OUTPUT PERFORMANCE

Provide for each output listed in the project document the description, indicators and progress made/any result achieved (focus on the current reporting period only).

Provide brief information on main activities undertaken; reason for modifications of planned activities (if applicable) and list of activities which were planned but not implemented, explaining the reasons.

Kindly include as annexes, any supporting documents which can be provided to the donor as means of verification for each of the outputs achieved and other relevant activities' documentation (if files can be downloaded, please provide below the link).

Project implementation is still at an early stage. Indicators in the project document refer to key activities and outputs to be undertaken from 2013 onwards, the foundations of which have been put in place during the current reporting period (i.e. the first 6 months of project implementation). Information below focuses on the main activities undertaken under each output to date.

Inception Phase:

The project foundation was set up with: the development of a detailed work plan, recruitment of core project staff ongoing (temporary staff in place to cover the interim), initial mapping exercises to identify relevant UNEP projects at country level, technical experts and institutions. The project priority value chains (agri-food, metals and chemicals) were selected. Communication materials were developed, including a project flyer, power point presentation, and website text. Finally, a regular communication process with DG DEVCO and DG ENV was established.

Output A: UNIDO-UNEP RECP service provider networks strengthened, expanded and enhanced in their capacity to provide technical support services on RECP eco-innovation:

Sub-activity A.1 Institutional Strengthening and expansion (DEVCO)

- Refined sub-activity to align with DEVCO approval and financing and ensured project integrity.
- Developed a list of potential intervention countries for consideration based on mapping of UNEP sustainable consumption and production activities. Shared with ENV and DEVCO.

Sub-Activity A.2 Development of the Eco-Innovation Manual (ENV): All 2012 sub-activities completed.

- The Netherlands Organisation for Applied Scientific Research (TNO) contracted to develop the Eco-Innovation Manual.
- Selection and engagement of members for an expert review group. (22, ranging across expertise and all geographic regions: Latin America and the Caribbean, Africa, Europe and Asia).
- Draft technical outline of the manual was prepared and validated at an expert review group meeting (5 December 2012). 12 experts participated, selected on the basis of specific expertise, regional and gender representation, as well as experience in working in SMEs in developing countries. Expert comments validated the manual outline and underscored the need to be technically simple. DG ENV attended via video-conference. The outline was subsequently finalised.

Sub-activity A.3 Regional eco-innovation workshops and training (ENV)

- Planning for 5 regional workshops carried out. UNEP Regional engagement sought. Synergies sought with events planned under component 4, Global and Regional Networking.

Output B: RECP mainstreaming in existing environmental and industrial development policy and planning regimes promoted to facilitate the transition towards sustainable consumption and production, resource efficiency and green economy:

Sub-Activity B.1 Making the Economic Case. (ENV) Two documents, instead of the planned 1 publication, are under development: *Mainstreaming Sustainable Consumption and Production Policy for Eco-Innovation*, and *Moving Ahead*

with Technologies for Eco-Innovation. The issue of Technology Transfer was noted as being a standalone issue worthy of elaboration. Where possible, this output is being strategically linked to ongoing 10YFP work.

- The Project Manager attended the EC ENV workshop: The Development and Diffusion of Environmental Technologies: Technology Transfer, Knowledge Flows and International Cooperation. She provided information on the REEDTE project and used inputs from the workshop to shape the technology publication TOR (October 2012).
- Selection process for technical expert to produce SCP policy guidelines complete, consultant on board.
- Selection process for technical expert to produce additional Technologies for Eco-Innovation publication started (ToR drafted).

Sub-Activity B.2 RECP eco-innovation policy mainstreaming: (DEVCO)

- Initial mapping exercise to identify relevant UNEP projects at country level was carried out to contribute to identification of potential countries for project interventions. The proposal process to engage country level institutions will be developed in 2013.

Sub-activity B.3 Eco-Industrial Park support: (ENV)

- Discussions held with UNIDO to ensure synergies with relevant work streams. UNIDO is carrying out national level technical projects in China, India, Vietnam and Indonesia. Work in 2013 will align this piloting to the policy guideline that will be developed. Output synergies have been created with the UNIDO UNEP Global RECP conference (September 2013).
- A scoping mission took place in June 2012 to attend the International Conference on Applied Industrial Symbiosis (Birmingham, UK) to build network and contacts.

Sub-Activity B.4 SCP Capacity Building (DEVCO)

- This will take place in 2014

Output C: Business case for resource efficiency and eco-innovation technologies of existing Innovative applications in SMEs developed and promoted, and demonstration projects on RECP eco-innovation application in industries with a focus on SMEs supported:

Sub-Activity C.1 Making the case for action (ENV)

- Technical expert to develop the Business Case for Eco-Innovation publication recruited.
- Draft Outline completed, initial UNEP comments sent to consultant.

Sub-activity C.2 RECP eco-innovation demonstration projects (DEVCO)

- This will take place after 2013

Sub-activity C.3 Working with Industry to upscale (DEVCO)

- This will take place after 2014

Project Output D: Support to the global UNEP-UNIDO network on RECP, through global and regional network conferences and to the secretariat provided:

Sub-Activity D.1 and D.2 Global RECP events Regional RECPnet meetings (ENV)

- Engagement with UNIDO for overall project planning, and specifically for the planned September 2013 RECP Net Global Conference was carried out. The Project Manager travelled to UNIDO headquarters (Vienna) in November 2012 to brief the RECPnet Executive Board on the Project and to engage in joint project planning.
- EC UNEP Eco-Innovation Forum: The Project Manager attended the EC Eco-Innovation Fora Water, (Lisbon, Portugal, November 2012) to meet and discuss UNEP EC Eco-Innovation Fora: Agri-food, planned for November 2013 in Asia (Vietnam).
- Attendance at several events to present the REEDTE project, including Pole Eco-Conception (St Etienne, France, September 2012); Sustainable Innovation 2012: Resource Efficiency, Innovation and Lifestyles (Alanus University, Bonn, October 2012); French Chamber of Commerce (Paris, France, December 2012)

RESOURCES AND BUDGET

Provide: i) any remark on the overall budget based on the financial report for the current reporting period; ii) indicate if there is a delay in spending the funds, please clarify reasons; iii) mention resources to be mobilized yet, if any; ii) additional resources leveraged by UNEP and/or partners as a result of the project

- (i) Overall Budget: There are no outstanding budget issues. As could be expected for a project commencing in June 2012 and therefore in the early stages of implementation, expenditure focused on personnel, travel to various meetings to identify/build networks, engaging consultants and institutions to start work on the products, and one expert meeting held in early December. A number of key technical consultants and short-term project consultants were engaged just before the end of 2012. It is therefore anticipated that much of the remaining project year 1 funds will be obligated in the first half of 2013.
- (ii) Spending delays: There has been no delay in spending funds.

(iii) Resources targeted: Since the reporting period falls half way through Year 1 of the project (June 2012 - May 2013), year 1 funds are still in the process of being spent. Ongoing synergies are being developed but no additional funds have been targeted for mobilising.

(iv) Additional resources leveraged: Since the reporting period falls half way through Year 1 of the project (June 2012 - May 2013), year 1 funds are still in the process of being spent. Ongoing synergies are being developed but no additional funds to date have been mobilised as a result.

WORK PLAN FOR THE NEXT REPORTING PERIOD:

Summarize: i) activities scheduled – including any key milestones³ and lead responsibilities; ii) main outputs to be achieved in the upcoming reporting period and iii) forecast of expected expenditures.

The following activities and key milestones are foreseen during the next reporting period. At the date of reporting, ENV funding for year 2 (June 2013-May 2014) and DEVCO funding had not been received, so forecast expenditures are estimates and will depend on the currency exchange rate.

Activities scheduled	Lead responsibilities	Main outputs to be achieved	Forecast of expected expenditures, USD
Project Management			
Staff costs, Paris	BIU	Across various outputs	\$186,000
Regional offices engage project consultants	ROLAC/ROA/ROAP ⁴		\$62,000
Travel on official business	BIU		\$162,000
Project Output A			
Sub-activity A.1 (DEV)			
Regional scoping template to be completed	Independent institution (SSFA)	Template will be used as basis for scoping surveys	\$49,000
Scoping surveys to be completed in all regions	Regional Offices	Potential new RECP service providers identified and engaged	\$60,000
Sub-activity A.2 (ENV)			
Eco-Innovation manual validation workshop to be held, April 23 2013	TNO/BIU	Core Eco-Innovation Manual completed	\$20,000 (Back-to-back with Business Case workshop)
Technical consultants to develop value chain specific sector supplements to be engaged	BIU	Consultants engaged, sector supplements completed	\$100,000
Sub-activity A.3 (ENV)			
Three regional workshops in Latin America and Caribbean, Europe and Asia Pacific.	BIU/ROLAC/ROE/ROAP/Consultants	Regional RECP service providers will receive training on the Eco-Innovation Manual, policy guidelines, technology transfer report and business case	\$180,000
Two value chain-specific trainings.	BIU/ROE/ROAP/Consultants	First two of six value chain-specific trainings to have taken place.	n/a (in synergy with regional workshops)
Project Output B			
Sub-activity B.1 (ENV)			
SCP policy guidelines publication developed	BIU/Consultant	SCP policy guidelines written	\$35,000
SCP policy guideline validation workshop, 28 May	BIU/Consultant	SCP policy guideline validation/stakeholder event	\$60,000
Design/printing/shipping of publication	BIU	1 Guideline and 3 Executive Summaries	\$25,000
Technologies publication developed	BIU/Consultant	Technologies for Eco-Innovation report written	\$30,000
Technologies for Eco-Innovation validation	BIU/Consultant	Technologies for Eco-Innovation validation/stakeholder event	\$60,000

³ A milestone is not equal to a summation of tasks or activities. Rather it represents the achievement of a feasible project management stage and be strictly answerable as yes or no answer.

⁴ ROLAC: Regional Office for Latin America and the Caribbean; ROA: Regional Office for Africa; ROAP: Regional Office for Asia Pacific; ROE: Regional Office for Europe

workshop, 29 May			
Design/printing/shipping of publication	BIU	1 Technologies Report and 3 Executive Summaries	\$25,000
Sub-Activity B.2 (DEV)			
Policy consultants to be engaged for 6 countries		Policy mainstreaming reports (6) will be developed in 2014.	\$200,000
Sub-Activity B.3 (ENV)			
Draft EIP Guideline	BIU/Consultant	Draft Guideline	\$20,000
EIP workshop	BIU/Consultant	Validation/stakeholder event	\$40,000
Sub-Activity B.4 (DEV)			
Proposal process to select country level institutions to participate in policy activities (B.2 and B.4) to be developed	Regional Offices/BIU	SCP capacity building workshops and related activities will take place in 2014	n/a
Output C			
Sub-Activity C.1 (ENV)			
Business case validation workshop, 24 April 2013	BIU/Consultant	Validation/stakeholder event	\$20,000 (Back-to-back with Eco-Innovation Manual workshop)
Design/printing/shipping of publication	BIU	1 Business Case publication in 3 languages and 3 Executive Summaries	\$25,000
Sub-Activity C.2 (DEV)			
Proposal process to engage country level institutions to participate in technical demonstrations	Regional Offices/BIU	Countries identified for national demonstration efforts	\$180,000
Sub-Activity C.3 (DEV)			
Working with industry to upscale		This will take place after 2014	n/
Output D			
Sub-Activity D.1 and D.2			
Global RECPnet meeting to take place (September 2013, Switzerland)	BIU/ROE/UNIDO		Supported by UNIDO.
Global EC-UNEP Eco-innovation Forum on agri-foods, (Vietnam) November 2013	BIU/EC		\$100,000

VISIBILITY:

Describe communication, visibility and outreach activities undertaken at project level, if any.

- A project flyer, PowerPoint presentation and website text were produced in July 2012. The recruitment process for a short term Business Outreach consultant was completed by December 2012, with a view to ramping up outreach and visibility efforts in 2013.
- Information on the project available at: <http://www.unep.org/resourceefficiency/Business/CleanerSaferProduction/Eco-Innovation/tabid/78761/Default.aspx>
- The project communicated throughout UNEP and its regional offices and was presented at key external events. In addition to events referenced in the previous sections, the project was presented at the General Assembly meeting of Pole Eco-Conception (September 2012), the European Forum on Eco-Innovation in Lisbon (November 2012) and the French Chamber of Commerce (December 2012).

FINAL REMARKS:

Describe: i) lessons learned during project design and implementation; ii) stakeholder participation and level of engagement/satisfaction; iii) where applicable, outline any links and synergies developed with other projects; iv) main issues and recommendations for the attention of the donor; iv) overall observations on project performance and whether the projects has had any unforeseen positive or negative results.

- i) Lessons learned: Issues addressed under the earlier section Challenges, management actions, risk mitigation plans, reflect the lessons learned for this reporting period.
- ii) Stakeholder participation and project synergies

- The reporting period covers the inception phase of the project, but stakeholder participation/engagement is already well underway.
- Possible links and synergies with other projects have been explored through presentations at various fora and through engaging internal UNEP experts (agri-food, life-cycle analysis, eco-labelling, sustainable public procurement, technology transfer), as well as UNIDO.
- Project planning for the coming 12 month reporting period has led to identification of opportunities for synergies in terms of the 10YFP regional meetings (eg, in Latin America region in 2013) and opportunities to align events with the SWITCH Asia project. Relevant stakeholders working on these areas have been engaged.
- Specifically in the European Region, where there are extensive opportunities for synergies, the project team is working through the Regional Office of Europe on various efforts including as examples to: 1) ensure synergies with UNIDO colleagues in the jointly implemented EaPGREEN project; and 2) looking into working in Russia under the Strategy Proposal for EU's Partnership Initiative (PI) to support an eco-innovation component.

iii) Issues and recommendations for EC

- Building on previous good practices, it might be useful to carry out joint ENV DEVCO meetings.

iv) Overall Performance Positive and Negative

- Project performance is on-track. UNEP project team appreciates the constructive engagement with EC directorate colleagues in both ENV and DEVCO.

ANNEXES:

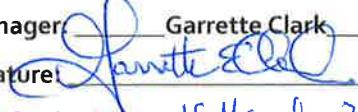
Please list supporting documents included as annexes, if any.

- Eco-Innovation manual outline
- Eco-Innovation expert review group meeting minutes
- Business Case outline
- Project flyer

UNEP/MEA Project Manager:

Garrette Clark

Signature:

 18 March 2013