

Reducing uses and releases of chemicals of concern, including POPs, in the textiles sector

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10523

Countries

Regional (Bangladesh, Indonesia, Pakistan, Viet Nam, Asia/Pacific)

Project Name

Reducing uses and releases of chemicals of concern, including POPs, in the textiles sector

Agencies

UNEP

Date received by PM

12/2/2021

Review completed by PM

1/12/2022

Program Manager

Yuki Shiga

Focal Area

Chemicals and Waste

Project Type

FSP

PIF

CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

2.18.2022:

Cleared. Earlier comment(s) are appropriately addressed.

1.19.2022:

On PMC proportionality: there is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.9%, for a co-financing of \$41,938,776 the expected contribution to PMC must be around \$2,055,000 instead of \$1,333,730 (which is 3.1%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

- GIZ: change the source from ?Other? to ?Donor Agency?

12.9.2021:

- Evidence/Letter is missing for some co-financing. For example, those from Governments of Indonesia and Bangladesh.

- Co-financing amount is missing for that from Government of Pakistan.

- Letter from IDH does not indicate co-finance break down between in-kind and grant.

- The letter indicates that co-financing from Hohenstein Institute is in Euro.

- ?In kind? is typically ?recurrent expenditure?. Further elaboration as to why the in-kind contribution from Bluwin is considered as investment mobilized and not recurrent expenditure would be helpful.

Recommended action: Please consider the above point(s).

Agency Response

Response Dec 2021:

- The missing cofinance letters have been uploaded including Indonesia, Bangladesh & others.
- Cofinance amounts updated in Tables A, B and C to reflect correct amount from Pakistan and updated amount (e.g. Hohenstein as noted below).
- IDH was assigned conservatively at 50% only towards grant, but as they are a grant-making body with aligned projects we anticipate the grant to be a greater proportion as cofinance reports are made in the course of the project.
- The Hohenstein cofinance amount was converted to US\$ (rate 1.12 USD=1 Euro, as at 20 Dec 2021)
- The Table C row for Bluwin was erroneously marked as ?investment mobilized?. It has been corrected to ?recurrent expenditures?.

Response February 2022

1. PMC Proportionality: The cofinance letter from the Executing Agency NRDC did not provide a component-wise breakdown of the elements of cofinance, however their updated cofinance letter now confirms that their cofinance does also contribute to PMC. Cofinance amounts increased to 2,083,730 USD and updated in Table B and Appendix 3 (Cofinance budget).

2. GIZ cofinance: entry changed in Table B, to 'Donor Agency'.

Response 16th February 2022

GIZ cofinance source now duly corrected to 'Donor Agency' in Table C. Apologies for the previous error. We confirm the uploaded PDF CEO Endorsement Request document already included this correction with highlight, so have just made the change in the Portal field.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

1.11.2022:

Cleared. Earlier comment(s) are appropriately addressed.

12.9.2021:

In light of ensuring the maximum outputs and impacts while striking a good balance with other considerations, please elaborate further on how the project is designed in selecting the sites/companies for the pilot projects. For example, criteria, process, country distribution etc.

Agency Response

Response Dec 2021:

The selection of the pilot projects is indeed a critical element of the project success at achieving the desired impacts. The criteria for selection of the POPs elimination phase out pilots (Output 1.3) will be developed by the Executing Agency with the Technical Coordinator and experts and be approved by the project Steering Committee. The current proposal for criteria as described in the Alternative Scenario (see Activity 1.3.4) include the following, for which some additional detail is provided here:

? POPs use confirmed in inventory (Output 1.1). The inventory data from Output 1.1 in conjunction with a small amount of analytical testing will be used to confirm the presence or absence of POPs in use in the pilot mills. This will also be informed by the type of product manufactured, since the PPG identified professional uses (e.g. PPE, uniforms) and other priority products where POPs are more likely to be used.

? Chemical-using processes confirmed in inventory (e.g. DWR applications, dyeing, antimicrobials, etc). The process identification within the inventory process will establish which mills are using the manufacturing processes most closely associated with POPs use, in order to achieve a range of POPs and specific uses and create a broad range of approaches for mills to adopt (e.g. replacement or just eliminating the need for that functionality, etc).

- ? Focus on smaller companies that are least likely to voluntarily join a certification scheme. The in-country textile associations and environmental ministries will be critical here in connecting the project with smaller mills that are falling under the radar of the service providers.
- ? Level of commitment by the mill management and owners, including level of cofinance availed to the project. Pilot selection will also prioritize mills with female employment and participation in management or ownership.
- ? Country distribution will be based on a combination of ensuring all countries benefit from pilot projects but also ensuring that lessons are available relevant to the whole sector. Countries with a larger wet processing sector, covering more specific processes and chemical uses, may require additional pilots to cover all use cases. A paragraph to describe this last point has been added to the project description.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

Yes, CW-1-1 in Table A is aligned with 2018-2022 GEFTF Programming Direction.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

1.11.2022:

Cleared. Earlier comment(s) are appropriately addressed.

12.9.2021:

Please further elaborate on 'open-source' knowledge. While open-source could be useful, private companies and mills could be reluctant to

participate in projects which they have to disclose things they would not wish to be open.

Agency Response

Response Dec 2021:

The reference to open-source knowledge in the Innovation section refers to two elements; one is to increase access to existing open-source data and knowledge on chemicals, and secondly on increasing the availability of chemicals information within the supply chain and to regulators. The baseline and problem analysis show that this is a significant barrier to overcome to achieve transparency in the supply chain. A new paragraph has been added in the Innovation section to set out the project's proposed approach; namely to ensure that relevant data collected via project investments is made available in a suitably anonymized or aggregated way; and also to seek to create models (e.g. sample non-disclosure agreement texts) which may be used by stakeholders in the future.

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

Yes. Please provide geocoordinates once pilot mills are selected.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Knowledge Management

Is the proposed 'Knowledge Management Approach' for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

1.11.2022:

Cleared. Earlier comment(s) are appropriately addressed.

12.9.2021:

Please refer to comment in the innovation and sustainability section.

Agency Response

Response Dec 2021:

Please refer to earlier response.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

2.18.2022:

Cleared. Earlier comment(s) are appropriately addressed.

1.19.2022:

Audit should not be included in the M&E budget but should be under PMC.

Agency Response

Response February 2022:

Audit costs are in the PMC column in the Budget Table (Appendix 2) as per GEF Guidelines. The M&E budget table in the CEO Endorsement Request (section 9) does include an audit line as per UNEP internal requirement, but a note has been added to clarify that the amount is actually charged under PMC.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

2.18.2022:

Cleared. Earlier comment(s) are appropriately addressed.

1.19.2022:

Annex E (Project Budget Table):

(i) Per Guidelines, the costs associated with the execution of the project (like project's staff) have to be covered by the GEF portion and the co-financing portion

allocated to PMC. Hence, National admin and finance reporting assistant should be charged under PMC, not M&E. Similarly with HR, procurement and FM, costs should be charged under PMC:

(ii) Total M&E budget under the budget table is \$375,000 while under Section 9-Monitoring and Evaluation is \$305,000 including audit costs.

12.9.2021:

Annex B: Response to project reviews is incomplete. For example, response to comments to several Council Members are missing, such as Japan and UK.

Agency Response

Response Dec 2021:

The correct version of the Annex B has been uploaded in the Portal, with responses to all Council members now included. The responses were already addressed in the main proposal text, and references to relevant sections are made in the Annex.

Response Feb 2022

i. The Budget Table (Appendix 2) has been updated to allocate National Admin and finance reporting assistant (budget line 1202) to PMC as required. Budget line 1302 (previously *?HR procurement and FM?*) does not relate to project management, but to technical contract management by NRDC. They will be responsible for managing the evaluation and contracting of at least 10 technical service contracts (value almost 1.5m USD). The budget line has been renamed to *?Technical Contract Supervision?* to reflect this technical role.

ii. M&E Budget: The table in Section 9 has been updated to make explicit the M&E costs of project staff matching the Budget table (Appendix 2). Please note audit is a standard part of UNEP's M&E requirement, so has been included in this table for internal purposes. However an explanatory note has been added to clarify that the cost is actually budgeted to the PMC component as per GEF policy & guidelines. The Section 9 table total thus is 40k higher than the M&E budget as per Budget Table Appendix 2..

Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

2.18.2022:

This CEOER is recommended for technical clearance.

1.19.2022 /12.9.2021:

Not yet. Please refer to the review items and resubmit for consideration (please highlight the change).

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	12/9/2021	
Additional Review (as necessary)	1/11/2022	
Additional Review (as necessary)	1/19/2022	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat comments**

**Additional Review
(as necessary)**

2/18/2022

**Additional Review
(as necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations