GEF ID	11428
Project title	Eliminating hazardous chemicals from the supply chain of the construction
	sector in Morocco
Date of screen	23 January 2024
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REVISED STAP SCREENING TEMPLATE, OCTOBER 2022

1. Summary of STAP's views of the project

This project has a strong motivation, as shown by a cumulative need of more than 3 million housing units by 2030, with the need exacerbated by the earthquake of September 2023. The construction sector is a significant emitter of GHG, a user of toxic chemicals, and a sector that's been challenging to seek reductions. Since the state supported 51% of all construction projects (in 2021), it is the leading provider of construction companies; it stands to strongly influence the choice of materials used in the construction supply chain, aimed at reducing material and energy consumption and the use of hazardous chemicals.

The GEB delivered will be reduced GHG emissions, land degradation from waste, and emissions of hazardous chemicals. Thus, the project aligns with goals set by several MEAs, such as Stockholm and UNFCC. The project can potentially deliver transformative and durable change given the size of the construction sector and the long life of buildings, but it needs to be designed with more rigor than as presented in the current PIF.

The proposal contains many elements, each of which is reasonable, and many have plausible causal linkages, but it requires more detailed thinking on how they will come together to achieve project objectives and, ultimately, the transformation of the sector. Some individual outputs appear to be optimistic regarding feasibility, and the number of outputs planned adds to questions about the viability of the entire project. The plan should include a realistic timeline to show that the roll-out of output could positively influence an outcome; for example, the time needed to develop capacity and expertise will coincide with major public expenditure for public housing construction. Also, there is a long time lag between encouraging data collection that could be used in LCAs under Component 1 (for which capacity must be built for assessment) to enable decisions to be made on alternative designs under Component 3. The proposal needs to address the need for Infrastructure and capacity to develop material labeling that could then be used to guide purchasing.

Although STAP is rating the project as a minor because there are some elements of feasibility in the project and based on its potential to achieve transformational change, the proponent should significantly revise the proposal along the lines of comments presented in Sections 2 and 3 of this review screen.

Note to STAP screeners: a summary of STAP's view of the project (not of the project itself), covering both strengths and weaknesses.

STAP's assessment*

Concur - STAP acknowledges that the concept has scientific and technical merit

Minor - STAP has identified some scientific and technical points to be addressed in project design

D Major - STAP has identified significant concerns to be addressed in project design

Please contact the STAP Secretariat if you would like to discuss.

2. Project rationale, and project description – are they sound?

See annex on STAP's screening guidelines.

1. **Systems thinking.** The project tackles a large and complex issue and, as such, has many components, activities, and expected outcomes. The project conception would benefit from better linkages between components to ensure coherence in the planned activities. The project explains the motivation and needs well but could improve the description of drivers using a systems approach. For example, climate change towards a hotter climate will require changes in building requirements. Similarly, the recent earthquake emphasizes the need to adapt building codes to increase resilience to such shocks. This project provides such an opportunity,

which is not considered. Given that the project is focused on a supply chain (construction), it will benefit from breaking the context analysis into the various elements of the supply chain and their interconnections and how they drive the environmental challenges the project seeks to address.

2. **Uncertain futures** were not discussed but could be useful when considering measures to mitigate possible outcomes should drivers change and assumptions not hold up. Consider consulting STAP's brief on <u>Future</u> <u>Narratives.</u>

3. **Baseline, barriers, and enablers.** The baseline situation was described in detail, and the motivation for the project presents a compelling case. Barriers were also presented. Six main barriers and challenges are presented along with drivers and enablers to achieve the desired outcomes and ultimate impact, e.g., the lack of building codes harmonized with databases that would allow for "green" choices. However, some enablers are not sufficiently described. In this case, one enabler (actually an activity) is enacting voluntary building codes and a mechanism to update those codes regularly using chemicals-based tools. This particular chain of logic is not sufficiently developed – would voluntary building codes be followed, as that requires substantial buy-in from stakeholders, and how could building codes be tied to "chemical-based tools" given a current lack of capacity?

4. The **Theory of Change** (ToC) contains plausible mechanistic pathways connecting outputs to outcomes and ultimate impacts for each component. The major barriers and challenges are also included.

- The underlying assumptions need to be outlined
- The barrier of inevitable time lags between the start of an activity and its outcome that is then connected to other outcomes should be considered, e.g., providing data to support green procurement as demand for alternative materials is generated.
- The ToC could also be strengthened by considering linkages between pathways, e.g., enforcing policies and the commitment of the private sector. The ToC could consider how enablers could support the achievement of outcomes.
- Many activities are presented, but more details are needed to be convincing. For example, under Component 1, Output 5 is a behavior change that could be incentivized to account for gender factors, noting that women tend to be more conscious of sustainability factors but not connecting this with the procurement of materials in the construction supply chain.

5. The project components

The project consists of 5 components with many activities, which, as noted above, could benefit from better integration.

- Component 1 needs to address the capacity required for effective implementation. Some outputs seem overly optimistic given their underlying complexity, e.g., strengthening policies by integrating a life cycle approach into existing legislative frameworks and harmonizing regulations regarding building codes with chemical databases (which databases? How could they be linked?).
- Component 2 contains many activities that could be prioritized in terms of effectiveness since all require capacity and funding. Is it realistic that UseTox, a tool developed for the scientific and regulatory communities, can be used to raise awareness among the public and decision-makers?
- Component 4 mechanisms needed to promote buy-in for guaranteed funding from the government or development banks require explanation. How the project will unlock finance to scale up new businesses and circular approaches, as claimed, is unclear. What incentive will encourage incubators and other potential finance sources to want to commit to the goal of the project? Providing capacity building and technical assistance, as noted under component 4, output 1, does not seem like a feasible pathway that will ensure that incubators support sustainable construction as claimed. Leveraging finance will be critical for success and scaling and need to be better elaborated.
- Component 5 needs details on project monitoring, such as metrics.

Also, how the project will unlock finance to scale up new businesses and circular approaches, as claimed, is unclear. What incentive will encourage incubators and other potential finance sources to want to commit to the goal of the project? This will be critical for success and scaling.

Furthermore, the proposal throws in several desired words like traditional knowledge, gender, circular economy, low carbon, nature-based alternatives, green and sustainable chemistry, etc., without specific details on how these are relevant or will be applied to the project design or implementation. What specific green and sustainable chemistry is being considered? Is cement production from lower clinker really low-carbon? What examples of traditional knowledge are being considered, and how will they be applied? What are the specific circular economy approaches being considered for the construction sector? What are the examples of nature-based alternatives applicable to construction in Morocco? What is the connection between women-led groups and women consumer groups with the construction industry that will make them advocates for changing industry practices; what aspect of construction is connected to these gender-based groups? What does "gender approach on the development of eco-label" mean; what construction sector commodity is gender-relevant? The proposal rightly admits that "construction materials are not typically household products."

6. Sectors and stakeholders are listed, but indications of consultations, their roles, and buy-in should be better explained.

7. **GEBs** related to GHG emission avoided and avoidance of land degradation from the dumping of construction waste are estimated and seem reasonable. Estimates of avoided HBCDD, PFOS, and SCCPs imports are based on assumptions, some of which are questionable, e.g., the use of PFOS in paints (most paints use the PFAS PAPs and FTOHs, not PFOS. All assumptions and their basis need to be clarified, including for CO2 emissions avoided.

8. Steps taken towards achieving **policy coherence** require more explanation. For example, enforcing regulations that promote the use of green materials doesn't ensure policy coherence. Specifically, the discussion of component 1, strengthening policies, does not address policy coherence. For example, might economically driven priorities override decisions on procuring green materials? How will trade-offs be made to address the need for housing, especially after the Earthquake, with the time needed to develop guidelines, building codes, etc? The policies required to implement EPR in the building sector are not described, nor an analysis to see if such policies could be enacted.

9. **Risks.** This project should consider opportunities to turn potential risks into opportunities for risk minimization, e.g., increasing resilience to climate change using climate-appropriate building designs. Similarly, the recent earthquake demonstrates the need to strengthen building designs to withstand such shocks. This can be done by incorporating these considerations in the project rationale and the design of project interventions. The risk analysis lists several risk categories that could act as significant barriers but were not adequately considered in the ToC and project interventions. For example, the risk of the lack of political support to promote required regulatory changes is ranked at moderate. This risk should be listed as an assumption with mitigative measures built into the ToC. Similarly, the macroeconomic effect is judged as substantial that free trade with certain countries will undercut efforts to reduce POPs in imported construction goods. Again, this risk needs to be considered under policy coherence and a barrier in the ToC.

Note: provide a general appraisal, asking whether relevant screening guideline questions have been addressed adequately – not all the questions will be relevant to all proposals; no need to comment on every question, only those needing more attention, noting any done very well, but ensure that all are considered. Comments should be helpful, evaluative, and qualitative, rather than yes/no.

3. Specific points to be addressed, and suggestions

STAP recommends that the project proponents address all of the comments in section 2 above, including the following:

- Systems thinking should be used to consider how risks, such as climate change and earthquakes, that could be seen as barriers could be used to achieve more benefits and co-benefits from this project through, for example, consideration of building codes, guiding the choice of building materials, etc.
 Explain the system based on the various element of the construction supply chain. Please provide a mapping of the construction supply chain, which aspects the project is targeting, and what will be done on each aspect/element to lead to a holistic outcome and change in the sector.
- Develop a narrative of plausible futures given uncertainties and assumptions that could not come to fruition, such as changes in political support and a lack of stakeholder engagement and leadership. See STAP's primer on future narratives for more guidance.
- Substantial sources of co-financing are indicated (mostly in-kind, with a few as grants), but few details are provided on how in-kind contributions will be used and how cash co-financing can be encouraged.
- Prioritize the many activities/outputs raised in the proposal and describe the capacity needed and how this capacity will be supplied to achieve them.
- Consider the barrier of the inevitable time lags between outputs of components, e.g., time is needed to revise and develop building codes (component 1) that would guide new construction (component 3).
- The assumptions in the ToC should be clarified and elaborated.
- Clarify the assumptions used in calculating the expected GEBs.
- Give greater consideration to how the project will achieve policy coherence.

Note: number key points clearly and provide useful information or suggestions, including key literature where relevant. Completed screens should be no more than two or three pages in length.

*categories under review, subject to future revision

ANNEX: STAP'S SCREENING GUIDELINES

- How well does the proposal explain the problem and issues to be addressed in the context of the system within which the problem sits and its drivers (e.g. population growth, economic development, climate change, sociocultural and political factors, and technological changes), including how the various components of the system interact?
- 2. Does the project indicate how **uncertain futures** could unfold (e.g. using simple **narratives**), based on an understanding of the trends and interactions between the key elements of the system and its drivers?
- 3. Does the project describe the **baseline** problem and how it may evolve in the future in the absence of the project; and then identify the outcomes that the project seeks to achieve, how these outcomes will change the baseline, and what the key **barriers** and **enablers** are to achieving those outcomes?
- 4. Are the project's **objectives** well formulated and justified in relation to this system context? Is there a convincing explanation as to **why this particular project** has been selected in preference to other options, in the light of how the future may unfold?
- 5. How well does the **theory of change** provide an "explicit account of how and why the proposed interventions would achieve their intended outcomes and goal, based on outlining a set of key causal pathways arising from the activities and outputs of the interventions and the assumptions underlying these causal connections".
 - Does the project logic show how the project would ensure that expected outcomes are **enduring** and resilient to possible future changes identified in question 2 above, and to the effects of any conflicting policies (see question 9 below).
 - Is the theory of change grounded on a solid scientific foundation, and is it aligned with current scientific knowledge?
 - Does it explicitly consider how any necessary **institutional and behavioral** changes are to be achieved?
 - Does the theory of change diagram convincingly show the overall project logic, including causal pathways and outcomes?
- 6. Are the project **components** (interventions and activities) identified in the theory of change each described in sufficient detail to discern the main thrust and basis (including scientific) of the proposed solutions, how they address the problem, their justification as a robust solution, and the critical assumptions and risks to achieving them?
- 7. How likely is the project to generate global environmental benefits which would not have accrued without the GEF project (**additionality**)?
- 8. Does the project convincingly identify the relevant **stakeholders**, and their anticipated roles and responsibilities? is there an adequate explanation of how stakeholders will contribute to the development and implementation of the project, and how they will benefit from the project to ensure enduring global environmental benefits, e.g. through co-benefits?

Sectors and stakeholder are listed but indications of consultations, their roles and buy-in is weak.

- 9. Does the description adequately explain:
 - how the project will build on prior investments and complement current investments, both GEF and non-GEF,
 - how the project incorporates **lessons learned** from previous projects in the country and region, and more widely from projects addressing similar issues elsewhere; and
 - how country policies that are contradictory to the intended outcomes of the project (identified in section C) will be addressed (**policy coherence**)?
- **10.** How adequate is the project's approach to generating, managing and exchanging **knowledge**, and how will lessons learned be captured for adaptive management and for the benefit of future projects?

11. Innovation and transformation:

- If the project is intended to be **innovative:** to what degree is it innovative, how will this ambition be achieved, how will barriers and enablers be addressed, and how might scaling be achieved?
- If the project is intended to be **transformative:** how well do the project's objectives contribute to transformative change, and are they sufficient to contribute to enduring, transformational change at a sufficient scale to deliver a step improvement in one or more GEBs? Is the proposed logic to achieve the goal credible, addressing necessary changes in institutions, social or cultural norms? Are barriers and enablers to scaling be addressed? And how will enduring scaling be achieved?
- 12. Have **risks** to the project design and implementation been identified appropriately in the risk table in section B, and have suitable mitigation measures been incorporated? (NB: risks to the durability of project outcomes from future changes in drivers should have been reflected in the theory of change and in project design, not in this table.)