

GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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General Project Information

Project Title

Advancing nature-positive and fair supply chains through better alignment of trade-related sustainability standards

Region	GEF Project ID
Global	12355
Country(ies)	Type of Project
Global	MSP
GEF Agency(ies):	GEF Agency ID
UNIDO	250087
Executing Partner	Executing Partner Type
International Trade Centre	Others
United Nations Global Compact	Others
GEF Focal Area (s)	Submission Date
Chemicals and Waste	5/22/2026

Project Sector (CCM Only)

Taxonomy

Chemicals and Waste, Focal Areas, Persistent Organic Pollutants, Mercury, Sound Management of chemicals and waste, Land Degradation, Sustainable Land Management, Sustainable Forest, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Influencing models, Transform policy and regulatory environments, Strengthen institutional capacity and decision-making, Convene multi-stakeholder alliances, Stakeholders, Communications, Awareness Raising, Strategic Communications, Behavior change, Type of Engagement, Participation, Consultation, Information Dissemination, Private Sector, Large corporations, SMEs, Academia, Civil Society, Non-Governmental Organization, Trade Unions and Workers Unions, Gender Equality, Gender Mainstreaming, Beneficiaries, Adaptive management, Learning, Capacity, Knowledge and Research, Targeted Research, Theory of change, Knowledge Generation, Workshop, Training, Knowledge Exchange, Conference, Capacity Development

Type of Trust Fund	Project Duration (Months)
GET	30
GEF Project Grant: (a)	GEF Project Non-Grant: (b)
1,903,270.00	0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)
180,810.65	0.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
2,084,080.65	4,883,880.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
50,000.00	4,750.00

PPG total amount: (e+f)

54,750.00

Total GEF Resources: (a+b+c+d+e+f)

2,138,830.65

Project Tags

CBIT: No NGI: No SGP: No Innovation: No Competitive Window: No

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

Global production is not environmentally sustainable. Yet, as a large share of global production is organized in global supply chains, they provide an important lever for change. Increasingly, sustainability across supply chains is addressed through regulations alongside voluntary sustainability standards. However, the complexity and fragmentation of requirements combined with the need for coordinated action along supply chains and limited capacities constrain effective implementation and the achievement of environmental benefits.

The project's objective is to strengthen the capacity of producers, businesses, and governments, enhance cooperation along entire supply chains, and foster regulatory alignment to better implement sustainability practices through global knowledge and capacity-building tools for an effective shift toward nature-positive and climate-resilient supply chains through a “whole-of-supply-chain” approach across four components:

Component 1: Evidence-based information and dialogues for policy coherence, which develops global analytical tools, comparative frameworks and structured public-private dialogues to inform decision-making;

Component 2: Validation of global knowledge and capacity-building tools, which globally pilots, tests and validates the developed tools for strengthened supplier capacities, buyer–supplier collaboration and public-sector capabilities for regulatory alignment;

Component 3. Knowledge management, learning and strategic communication, which consolidates lessons learned and disseminates results as global public goods;

Component 4. Monitoring and Evaluation, which ensures systematic tracking of results and adaptive management.

The project directly addresses 5000 people (2000 women) benefitting from GEF-financed interventions (Core Indicator 11). Besides, the project generates indirect Global Environmental Benefits through the global piloting, testing and validation, and future replication and scaling of the global knowledge and capacity-building tools. It is thus expected to prospectively contribute significantly to Core Indicator 9, 6 and 4.

Indicative Project Overview

Project Objective

Enable stakeholders along entire supply chains (suppliers, buyers and public actors) to implement sustainability standards, to enhance collaboration, and to respond to and align with sustainability-driven regulation for maximized environmental benefits.

Project Components

Component 1: Evidence-based information and dialogues for policy coherence

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
744,450.00	2,728,825.00

Outcome:

Outcome 1: Complex landscape of sustainability standards in selected supply chains is simplified and codified in global knowledge and capacity-building tools, and stakeholders are better informed on sustainability-driven regulations for effective decision-making and policy coherence.

Output:

Output 1.1. A comprehensive comparative framework of sustainability standards is developed, informing decision-making across diverse stakeholders in selected supply chains.

Output 1.2. Unintended consequences of sustainability-driven regulations are assessed and findings disseminated to facilitate evidence-based decision-making and policy coherence.

Output 1.3. Good practices of vertical collaboration in (selected) sustainable supply chains are identified, documented, and disseminated.

Output 1.4. Evidence-based (public-private) dialogues are conducted.

Component 2: Validation of global knowledge and capacity-building tools

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
828,820.00	1,568,000.00

Outcome:

Outcome 2: Tools piloted, tested and validated globally with suppliers in pilot supply chain for adoption of sustainability standards and production practices toward sustainable production and chemical/non-chemical management systems.

Outcome 3: Tools piloted, tested and validated globally with public sector and lead companies for the creation of enabling environments for improving environmental performance in all tiers of the supply chain.

Output:

Output 2.1 Tailored guidelines for better alignment of compliance requirements of sustainability standards for pilot supply chain are developed and disseminated for more inclusive supplier participation.

Output 2.2 Knowledge and capacity-building tools are globally piloted, tested and validated by suppliers of pilot supply chain for improved compliance with sustainability standards and environmental performance.

Output 2.3 Lessons learned, and methodologies are consolidated for scaling-up and replication in other supply chains.

Output 3.1 Global tools for collaborative approaches between buyers and suppliers for sustainable management of supply chains that maximizes environmental benefits are piloted, tested and validated.

Output 3.2 Global knowledge tools to align regulatory frameworks with international sustainability standards are piloted, tested and validated to maximize environmental benefits.

Component 3. Knowledge management, learning and strategic communication.

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
92,000.00	

Outcome:

Outcome 4: KM&L (Knowledge Management and Learning) framework is established to support project's adaptive management and inform scaling-up strategy

Output:

Output 4.1. Lessons learned are documented and integrated into adaptive project management by project partners and beneficiaries

Output 4.2. Communication material is centralized and strategically communicated to inform scale-up and replication through global knowledge platform

M&E

Component Type	Trust Fund
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Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
68,000.00	140,580.00

Outcome:

Outcome 5. M&E (Monitoring and Evaluation) framework designed and implemented in accordance with UNIDO and GEF requirements

Output:

Output 5.1 Project interventions are continuously monitored

Output 5.2 The project is evaluated

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1: Evidence-based information and dialogues for policy coherence	744,450.00	2,728,825.00
Component 2: Validation of global knowledge and capacity-building tools	828,820.00	1,568,000.00
Component 3. Knowledge management, learning and strategic communication.	92,000.00	
M&E	68,000.00	140,580.00
Subtotal	1,733,270.00	4,437,405.00
Project Management Cost	170,000.00	446,475.00
Total Project Cost (\$)	1,903,270.00	4,883,880.00

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

A. Project Rationale

A.1. Background

Global supply chains account for around 70% of global trade^{[1]¹} and are major sources of chemical pollution, hazardous waste, greenhouse gas emissions, biodiversity loss, and water stress.^{[2]²} Chemicals of global concern, including persistent organic pollutants (POPs), mercury, and highly hazardous pesticides (HHPs), are widely used in sectors such as agriculture, textiles, and mining, particularly in upstream production stages in developing countries where regulatory and technical capacities are often limited.

Voluntary sustainability standards and emerging mandatory regulations increasingly address chemical use, waste management, traceability, and environmental due diligence.^{[3]³} However, the governance landscape remains fragmented, with overlapping standards and regulatory requirements creating high compliance burdens for SMEs and smallholders. Without stronger alignment, capacity building, and supply-chain cooperation, sustainability-driven regulations may fail to achieve systemic reductions in chemical pollution and could unintentionally exclude vulnerable producers from global markets.^{[4]⁴}

The project therefore focuses on improving coherence between standards and regulations, strengthening upstream capacity, and promoting collaborative supply-chain approaches to reduce hazardous chemicals and waste along global supply chains.

A.2. Environmental impacts of selected supply chains

Selected supply chains of agriculture, textiles and mining generate significant environmental impacts, particularly through the use and release of hazardous chemicals and chemical-containing waste.^{[5]⁵} Agriculture relies heavily on pesticides, including highly hazardous pesticides (HHPs), which contribute to soil and water contamination and pose risks to human health and biodiversity.^{[6]⁶} ^{[7]⁷} ^{[8]⁸} Textile production uses large volumes of hazardous processing chemicals, especially in dyeing and

finishing stages, often resulting in untreated wastewater discharges.^{[9]⁹} Mining and metals supply chains generate hazardous tailings, effluents, and heavy metal contamination.^{[10]¹⁰ [11]¹¹}

These sectors also contribute to broader environmental pressures including greenhouse gas emissions^{[12]¹² [13]¹³}, biodiversity loss, land degradation and deforestation^{[14]¹⁴ [15]¹⁵}, and water stress^{[16]¹⁶ [17]¹⁷ [18]¹⁸}. Increasing regulatory attention to supply-chain sustainability therefore creates opportunities to reduce chemical pollution while supporting wider environmental objectives.

A.3. Key Drivers and Barriers to Reducing Chemical Pollution and Environmental Impacts in Supply Chains

Despite the expansion of sustainability standards and emerging regulatory frameworks, hazardous chemicals and chemical-containing waste remain persistent across global supply chains. Key barriers are linked to cost-driven business models, fragmented standards and regulations, and limited capacity among upstream suppliers, particularly SMEs and smallholders in developing countries.

Cost pressures and short-term sourcing relationships often discourage suppliers from investing in safer chemical management, waste treatment, and pollution prevention measures. Compliance efforts are frequently driven by audit and certification requirements rather than long-term environmental improvements^{[19]¹⁹}, while overlapping standards and reporting obligations increase costs and administrative burdens for suppliers.

At the same time, sustainability requirements and due diligence regulations are expanding rapidly, particularly in major consumer markets. However, weak alignment between voluntary standards, national regulations, and international frameworks creates duplication, inconsistency, and uncertainty for both producers and buyers. Without stronger coordination, these dynamics risk excluding suppliers and countries perceived as high risk rather than supporting transitions toward safer production practices.

Many SMEs and smallholders also face significant technical, financial, and institutional constraints. Limited access to knowledge, technology, finance, and advisory services restricts their ability to substitute hazardous

chemicals, improve waste and wastewater management, and comply with evolving reporting and traceability requirements. Strengthening cooperation across supply chains and improving support to upstream actors is therefore essential to achieve systemic reductions in chemical pollution and hazardous waste while maintaining inclusive and economically viable trade relationships.

A.4. Sector Selection and Baseline

A.4.1 Rationale for focusing on selected supply chains

The project focuses on selected global supply chains that combine significant chemicals- and waste-related impacts with high relevance for developing countries and increasing exposure to sustainability-driven regulations. Given the diversity and complexity of global supply chains, the project will pilot approaches in selected supply chains to generate practical lessons and scalable models for reducing hazardous chemicals and waste while supporting compliance with evolving standards and regulations.

Supply chain selection was based on the following criteria:

- Significant environmental impacts related to hazardous chemicals, waste, and pollution;
- High economic relevance for developing countries and export markets;
- Strong involvement of SMEs and smallholders in upstream supply-chain stages;
- Increasing sustainability and due diligence requirements in major markets;
- Existing expertise and implementation experience among project partners.

A.4.2 Selected supply chains and justification

(1) Agriculture supply chains (cocoa)

Cocoa supply chains are characterized by extensive smallholder participation^{[20]²⁰} and significant risks related to highly hazardous pesticides, deforestation, and environmental contamination.^{[21]²¹} Increasing sustainability and due diligence requirements in major importing markets, particularly in Europe, are placing growing compliance pressures on producers.^{[22]²²} The sector therefore provides a strong opportunity to pilot approaches that strengthen chemical management while supporting smallholder inclusion in sustainable trade.

(2) Textile supply chain (fashion)

The textile sector is highly chemical intensive, particularly in dyeing, finishing, and wastewater-intensive processing stages. Hazardous chemicals, untreated wastewater, and textile waste contribute significantly to pollution and environmental degradation.^{[23]²³} ^{[24]²⁴} At the same time, the sector faces growing sustainability requirements related to hazardous chemicals, wastewater discharge, eco-design, and traceability (e.g., EU's REACH). High SME participation in upstream production stages makes the sector particularly relevant for testing aligned approaches to chemicals and waste management.

(3) Minerals, Metals and Mining (copper or alumina)

Mining and metals supply chains generate substantial volumes of hazardous waste, tailings, and contaminated effluents, including risks linked to heavy metals and mercury releases.^{[25]²⁵ [26]²⁶} Rising global demand for minerals required for the energy transition^{[27]²⁷} is increasing sustainability scrutiny across the sector, alongside a growing number of standards and reporting initiatives^{[28]²⁸}, and an important segment of informal and artisanal small-scale mining^{[29]²⁹}. The sector therefore represents an important opportunity to improve chemicals and waste management while supporting more coherent and inclusive compliance approaches.

A.4.3 Baseline of relevant initiatives

A substantial baseline of initiatives already exists across the GEF portfolio and participating agencies.^{[30]³⁰} UNIDO, as IE, contributes through its sustainable supply chain programmes, sector initiatives, and capacity-building tools.^{[31]³¹} The two potential EEs (to be considered during the PPG) include ITC and UNGC. ITC provides global benchmarking and sustainability standards platforms, including support tools for SMEs and producer organizations.^{[32]³²} UN Global Compact contributes through supplier engagement initiatives, corporate sustainability reporting mechanisms, and business learning platforms.^{[33]³³}

Despite these efforts, significant gaps remain in aligning sustainability standards and regulations related to chemicals and waste, strengthening upstream implementation capacity, and supporting effective cooperation along supply chains. The project's added value lies in its whole-of-supply-chain approach, recognizing that chemical pollution and hazardous waste are systemic challenges that cannot be addressed through isolated interventions targeting only one group of actors. The project therefore combines tools to support SMEs and smallholders with those targeting engagement of lead firms, standard-setting organizations, governments, and other institutional actors to improve alignment, shared responsibility, and practical implementation along supply chains. By linking upstream capacity building with downstream market requirements and institutional coordination, the project aims to generate more effective, inclusive, and scalable reductions in hazardous chemicals and waste.

A.5. Project Intervention and Value Proposition

This Medium-Sized Project (MSP) responds to the growing gap between increasingly stringent sustainability-driven regulations and the limited capacity of many supply-chain actors to comply with them, particularly in relation to hazardous chemicals and waste. While voluntary sustainability standards and emerging mandatory regulations create important opportunities to reduce pollution and improve environmental

performance, fragmented requirements and uneven implementation continue to limit their effectiveness and may unintentionally exclude specific actors from global markets.

The project addresses these challenges through a whole-of-supply-chain approach that recognizes chemical pollution and hazardous waste as systemic issues requiring coordinated action among upstream suppliers, lead firms, standard-setting organizations, governments, and other institutional actors. Rather than focusing on isolated compliance measures, the project will develop global knowledge and capacity-building tools that strengthen cooperation and alignment across supply chains to improve the management of chemicals of global concern and support more inclusive and sustainable trade relationships.

The intervention is thus structured around four mutually reinforcing pillars:

Component 1: Evidence-based information and dialogues for policy coherence, which develops global analytical tools, comparative frameworks and structured public-private dialogues to inform decision-making;

Component 2: Validation of global knowledge and capacity-building tools, which globally pilots, tests and validates the developed tools for strengthened supplier capacities, buyer–supplier collaboration and public-sector capabilities for regulatory alignment;

Component 3. Knowledge management, learning and strategic communication, which consolidates lessons learned and disseminates results as global public goods;

Component 4. Monitoring and Evaluation, which ensures systematic tracking of results and adaptive management.

The project offers a high-leverage opportunity to generate global environmental benefits by addressing chemicals and waste challenges at the intersection of standards, regulation, and supply-chain practices. Building on existing initiatives, the project will develop practical and scalable, global approaches that help reduce hazardous chemicals and waste while supporting inclusive participation in sustainable global supply chains.

[1] International Labour Organization *World Employment Social Outlook: The Changing Nature of Jobs 2015* (International Labor Organization, Geneva, 2015).

[2] O'Rourke, The science of sustainable supply chains. *Science* 344, 1124–1127 (2014).

[3] <https://www.iisd.org/ssi/commodities/cocoa-coverage/> ; <https://www.unep.org/resources/publication/sustainability-and-circularity-textile-value-chain-global-stocktaking>; [State of Sustainability Initiatives Review: Standards and the Extractive Economy](#) p. 93; [Sustainability Systems for Mineral Resources](#); [State of Sustainability Initiatives Review: Standards and the Extractive Economy](#) p. 89; <https://www.iisd.org/system/files/publications/ssi-global-market-report-cotton.pdf>; <https://www.kemi.se/download/18.6df1d3df171c243fb23a98f3/1591454110491/rapport-6-14-chemicals-in-textiles.pdf> p. 56

- [4] European Commission. (2022). COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC. Available at: [EUR-Lex - 52022SC0082 - EN - EUR-Lex](#)
- [5] <https://www.unep.org/resources/report/global-chemicals-outlook-ii-legacies-innovative-solutions>
- [6] <https://www.sciencedirect.com/science/article/pii/S2468584425000066>
- [7] [https://www.europarl.europa.eu/RegData/etudes/STUD/2021/653622/EXPO_STU\(2021\)653622_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2021/653622/EXPO_STU(2021)653622_EN.pdf)
- [8] Comparing the list of authorized cocoa pesticides in International Cocoa Organization, 2023. [Pesticide Use in Cocoa - Practical Manual – 4th Edition](#) with the list of pesticides meeting FAO/WHO criteria for highly hazardous pesticides extracted from: Pesticide Action Network International, 2024. [Consolidated List of Banned Pesticides](#).
- [9] <https://www.kemi.se/download/18.6df1d3df171c243fb23a98f3/1591454110491/rapport-6-14-chemicals-in-textiles.pdf>; <https://wedocs.unep.org/handle/20.500.11822/34184>
- [10] <https://www.undp.org/publications/managing-mining-sustainable-development> pp. 21, 29
- [11] <https://www.undp.org/publications/managing-mining-sustainable-development>
- [12] <https://www.generationim.com/our-thinking/insights/listed-company-emissions/>
- [13] <https://www.climateaction100.org/news/climate-action-100-issues-its-first-ever-net-zero-company-benchmark-of-the-worlds-largest-corporate-emitters/>
- [14] UN Environment Programme and the International Resource Panel, 2024.
- [15] <https://www.resourcepanel.org/file/1161/download?token=gmbLydMn>
- [16] <http://www.fao.org/3/ca0146en/CA0146EN.pdf>
- [17] [Sustainability and Circularity in the Textile Value Chain - A Global Roadmap | One Planet network](#) p. 12
- [18] <https://www.unep.org/topics/chemicals-and-pollution-action/chemicals-management/global-chemicals-outlook>
- [19] UNIDO, 2024. [White paper on “Skills Development for Fair Production and Sustainable Supply Chains”](#)
- [20] <https://openknowledge.worldbank.org/bitstream/handle/10986/26549/114812-5-5-2017-12-49-5-Cocoafinal.pdf?sequence=8&isAllowed=y>
- [21] <https://www.unep.org/resources/report/global-chemicals-outlook-ii-legacies-innovative-solutions>
- [22] <https://www.cbi.eu/market-information/cocoa/what-demand> ; a key example being the Regulation on maximum residue levels of pesticides and notably the 2023 ban on traces residues of three neonicotinoids in imported products: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02005R0396-20240511>
- [23] <https://www.kemi.se/download/18.6df1d3df171c243fb23a98f3/1591454110491/rapport-6-14-chemicals-in-textiles.pdf>; <https://wedocs.unep.org/handle/20.500.11822/34184>

[24] https://emf.thirdlight.com/file/24/uiwtaHvud8YIG_uiSTauTlJH74/A%20New%20Textiles%20Economy%203A%20Redesigning%20fashion%E2%80%99s%20future.pdf p. 36

[25] <https://www.woodmac.com/news/opinion/decarbonising-metals-and-mining-three-key-strategies-to-win-the-emissions-battle/>

[26] <https://www.undp.org/publications/managing-mining-sustainable-development> pp. 21, 29

[27] [Minerals-for-Climate-Action-The-Mineral-Intensity-of-the-Clean-Energy-Transition.pdf \(worldbank.org\)](https://www.worldbank.org/publications/minerals-for-climate-action-the-mineral-intensity-of-the-clean-energy-transition.pdf) and <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/mineral-requirements-for-clean-energy-transitions>

[28] Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (2018), Standards and the Extractive Economy, <https://www.iisd.org/system/files/publications/igf-ssi-review-extractive-economy.pdf>

[29] <https://www.sciencedirect.com/science/article/pii/S2214790X2500200X> for evidence in copper mining.

[30] This proposed MSP specifically links to the GEF Integrated Program on the Elimination of Hazardous Chemicals from Supply Chains, led by UNEP.

[31] This includes UNIDO's [FairShare Programme for Sustainable Supply Chains](#), Tools like the [Rapid Scan Legislation Navigator](#), the "GDP-at-risk Tracker" or the [LKDF curriculum](#).

[32] This includes, among others, the Standards Map (T4SD), VSS Coaching Programme / VSS Expert Approach, Lineamientos Basicos de Sostenibilidad (LBCS) cocoa program, Deforestation Free Trade Gateway.

[33] This includes, among others, the [Climate Ambition Accelerator | UN Global Compact](#), [Communication on Progress | UN Global Compact](#), and [the Sustainable Supplier and SME Programme](#).

B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

This project responds to the increasing complexity arising from the transition from voluntary sustainability standards to mandatory sustainability-driven regulations affecting global supply chains. It aims to develop global knowledge and capacity-building tools to strengthen the capacity of governments, businesses and other stakeholders in developing countries to navigate this evolving landscape, while ensuring that supply chains become environmentally sustainable, inclusive and resilient. The project focuses on three high-impact supply chain, namely cocoa, textiles, and minerals/metals/mining (MMM), where environmental and social risks are significant and regulatory pressure is increasing.

The long-term objective is to support the transformation of global supply chains towards nature-positive and climate-resilient models that leave no one behind. To this end, the project combines the creation, piloting, testing and validation of global knowledge and capacity-building tools with systematic knowledge management and learning, structured across three technical components and a monitoring and evaluation framework.

Theory of Change

The project is based on the recognition that stakeholders along supply chains face persistent barriers. These include a fragmented and complex landscape of sustainability standards, weak alignment between voluntary and mandatory requirements, limited institutional and technical capacities, and insufficient incentives for lower-tier suppliers to adopt sustainable practices. At the same time, increasingly stringent sustainability regulations risk creating a “green squeeze” that marginalizes producers who lack the capacity to comply, potentially exacerbating environmental degradation.

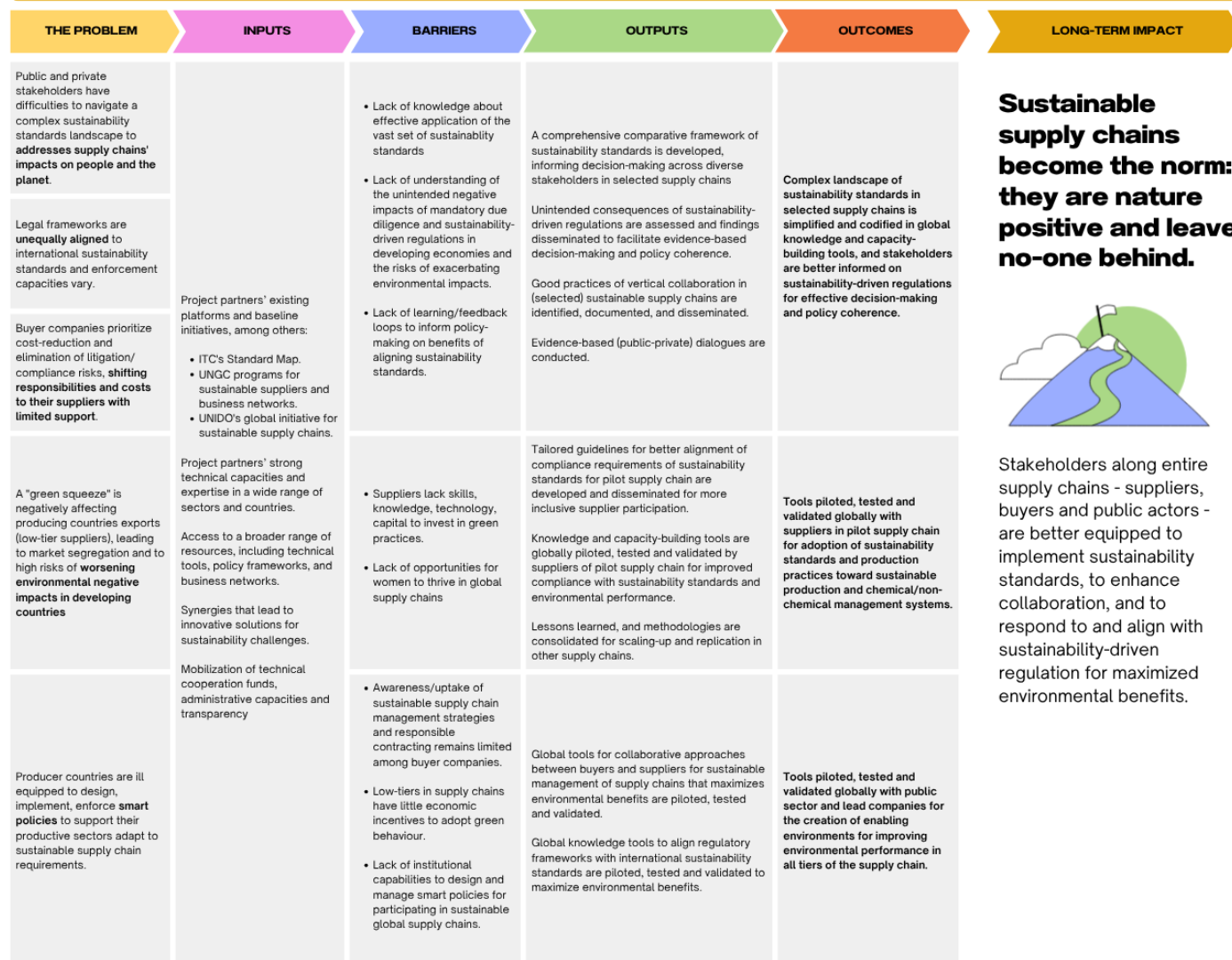
The project assumes that if stakeholders are provided with clear, harmonized knowledge on sustainability standards, practical tools to implement them, and platforms for collaboration and learning, they will be better able to align policies, adjust business practices and improve environmental performance. This requires not only generating evidence, but also testing and validating solutions with users and embedding continuous learning.

The theory of change further assumes that stakeholders are willing to collaborate, that a critical mass of businesses is ready to transition to more sustainable practices, and that governments are committed to strengthening regulatory frameworks. Under these conditions, improved alignment of standards and enhanced capacities will lead to more sustainable supply chain practices, ultimately contributing to global environmental benefits such as reduced pollution, lower greenhouse gas emissions, and protection of ecosystems.

If sustainability standards are simplified and codified in global knowledge and capacity-building tools (Outcome 1), and if these tools are applied, tested and validated with suppliers, buyers and institutional actors (Outcomes 2 and 3), and if learning systems ensure continuous adaptation and dissemination (Outcome 4), then stakeholders will improve compliance and decision-making, leading to enhanced environmental performance and scalable solutions across supply chains.

Figure 1. Theory of Change

Theory of Change: Advancing nature-positive and fair supply chains through better alignment of trade-related sustainability standards



Component 1: Evidence-based information and dialogues for policy coherence (Outcome 1)

The first component focuses on generating and disseminating global knowledge and capacity building tools that simplify the sustainability standards and regulatory landscape and inform evidence-based decision-making.

1.1 A comprehensive comparative framework of sustainability standards is developed, informing decision-making, and enhance capacity across diverse stakeholders in selected supply chains.

Under **Output 1.1**, the project develops a comparative framework of sustainability standards, drawing on the ITC Standards Map and related analytical work. This framework maps standards, regulatory requirements and environmental issues across the selected supply chains and identifies synergies, gaps, and contradictions. It integrates gender considerations and is validated through technical consultations, resulting in guidance and tools that support policymakers and businesses in aligning standards and improving environmental performance.

1.2 Unintended consequences of sustainability-driven regulations for developing countries are assessed and findings disseminated to facilitate evidence-based decision-making and policy coherence.

Building on 1.1, **Output 1.2** addresses the unintended effects of sustainability-driven regulations. The project designs and pilots a methodology to assess impacts at both micro and macro levels, complemented by the development of the Rapid Scan Legislation Navigator, a digital tool that helps stakeholders understand regulatory requirements across supply chains. The findings are synthesized into policy briefs, training materials and awareness products that facilitate informed decision-making.

1.3 Good practices of vertical collaboration in (selected) sustainable supply chains are identified, documented, and disseminated.

In parallel, **Output 1.3** identifies and documents good practices in vertical collaboration across supply chains. Through data collection and stakeholder engagement, the project analyzes both private sector practices and government measures that enhance sustainability outcomes. These are consolidated into a practical toolkit, including training materials, checklists and case studies, and disseminated through multiple platforms.

1.4 Evidence-based (public-private) dialogues are conducted.

Finally, **Output 1.4** translates evidence into action by convening public–private dialogues. These dialogues mobilize stakeholders around the project’s findings, promote the uptake of tools, and foster partnerships. Global platforms, including events linked to the UN General Assembly, are used to maximize outreach and support integration of project outputs into broader initiatives.

Stakeholder engagement

Stakeholder engagement is central to this component and structured to ensure both technical robustness and ownership of results. International organizations (e.g. OECD, FAO, UNCTAD, World Bank, ILO, GIZ) contribute analytical expertise and support validation of global knowledge products, ensuring methodological rigor and alignment with international frameworks. Governments and public agencies provide regulatory perspectives and act as primary users of the project’s outputs, applying evidence and tools to strengthen national and regional policy coherence.

Private sector actors, including buyer companies, suppliers and MSMEs across different tiers, play a critical role by contributing operational insights on compliance challenges, costs and incentives, and by validating the applicability of tools within real supply chain settings. Research institutions, NGOs and sustainability experts further strengthen the analytical base and ensure that environmental and social considerations are robustly addressed.

Engagement is operationalized through structured consultations, validation workshops and multi-level dialogue platforms. Particular attention is given to ensuring representation across supply chain tiers, including upstream actors who are most affected by sustainability regulations but often underrepresented in policy processes.

Gender

A gender-responsive approach is systematically embedded across all outputs of this component. The comparative framework of sustainability standards explicitly integrates gender criteria, building on the ITC Standards Map taxonomy, to analyse how standards address issues such as women’s economic participation, leadership, labour conditions and exposure to environmental risks. The project also ensures that gender-differentiated impacts of sustainability-driven regulations are assessed under Output 1.2 and reflected in policy recommendations and knowledge products.

All tools and dissemination materials incorporate gender-sensitive content and messaging, and specific outputs include gender-focused analyses and chapters supported by disaggregated data. Participation targets ensure that at least 40% of participants in consultations, dialogues and workshops are women, with proactive outreach to women-led businesses

and organizations. In addition, selected dialogue platforms explicitly address gender equality challenges in sustainable supply chains to inform future policy and business practices.

Component 2: Validation of global knowledge and capacity-building tools (Outcomes 2 and 3)

The second component operationalizes the global knowledge and capacity-building tools generated under Component 1 by globally piloting, testing and validating tools. Component 2 is structured by outcome 2 (Tools piloted, tested and validated globally with suppliers in pilot supply chain for adoption of sustainability standards and production practices toward sustainable production and chemical/non-chemical management systems) and outcome 3 (Tools piloted, tested and validated globally with public sector and lead companies for the creation of enabling environments for improving environmental performance in all tiers of the supply chain).

2.1 Tailored guidelines for better alignment of compliance requirements of sustainability standards for pilot supply chain are developed and disseminated for more inclusive supplier participation.

Under **Output 2.1**, the project develops tailored guidelines that align multiple sustainability standards and regulatory requirements within a selected pilot supply chain. These guidelines are derived from comparative analyses and translated into practical tools, including diagnostic frameworks and recommendations for policymakers and industry stakeholders.

2.2 Knowledge and capacity-building tools are globally piloted, tested and validated by suppliers of pilot supply chain for improved compliance with sustainability standards and environmental performance.

Through **Output 2.2**, these tools are piloted with suppliers (identified through expression of interest), which test and validate the training, self-assessment and capacity-building tools. Continuous monitoring enables validation of the tools' effectiveness in enhancing environmental performance and compliance.

2.3 Lessons learned, and methodologies are consolidated for scaling-up and replication in other supply chains.

Output 2.3 consolidates lessons learned and methodologies from the pilot. Data collected through baseline and follow-up diagnostics are systematically analysed to generate business cases, best practices and recommendations for scaling up. Structured feedback loops, including stakeholder consultations and validation workshops, are used to refine methodologies and prepare for replication across other supply chains.

3.1 Global tools for collaborative approaches between buyers and suppliers for sustainable management of supply chains that maximizes environmental benefits are piloted, tested and validated.

Complementing outputs 2.1 to 2.3, **Output 3.1** focuses on strengthening collaborative approaches between buyers and suppliers (selected through expression of interest). Tools are tested and validated through capacity-building activities, mentorship schemes and facilitated exchanges that promote improved communication, data sharing and joint sustainability actions between buyers and suppliers. Innovation platforms and structured dialogues with financial institutions are used to explore incentive mechanisms, including collaborative financing and environmental performance-based approaches.

3.2 Global knowledge tools to align regulatory frameworks with international sustainability standards are piloted, tested and validated to maximize environmental benefits.

Output 3.2 tests tools with the goal of strengthening institutional capacity by supporting governments and public agencies (identified through expression of interest) in aligning regulatory frameworks with international sustainability standards. This includes training curricula, capacity-building programmes and policy-oriented workshops, as well as the development of roadmaps that link sustainability regulations with broader environmental agendas.

Stakeholder engagement

Stakeholder engagement under this component focuses on practical testing and validation of solutions. MSMEs, producers and cooperatives are positioned as core users and active partners, participating in diagnostics, training, and validation of tools and feedback processes that shape methodology refinement. Governments and public agencies support contextualization of tools and guidelines, ensure alignment, and facilitate coordination. Buyer companies and market actors play a catalytic role by contributing market perspectives, supporting the testing of collaborative approaches, and identifying pathways for scaling sustainable practices. International organizations provide sector-specific expertise and contribute to consolidating methodologies and promoting replication at global level. The approach ensures inclusive engagement across all tiers.

Gender

Gender equality is operationalized through concrete tools, indicators and participation mechanisms. The guidelines developed under Output 2.1 incorporate gender-specific criteria, such as women's access to resources, participation in decision-making, working conditions and benefit sharing, which are then embedded in diagnostic tools and self-assessment methodologies used by producers.

Capacity-building activities are designed to be gender-responsive, including the use of inclusive training methods, gender-sensitive language and targeted outreach. Data collected through assessments and monitoring are systematically gender-disaggregated, enabling analysis of differential impacts and informing corrective actions.

Participation targets ensure that at least 40% of beneficiaries, trainers and participants are women, and specific efforts are made to address structural barriers faced by women in selected supply chains (e.g. limited access to training, finance and decision-making roles). Lessons learned on gender responsiveness are incorporated into scaling strategies and knowledge products.

Component 3: Knowledge management, learning and strategic communication (Outcome 4)

This component ensures that the project operates as a learning system, enabling continuous improvement and supporting scale-up.

4.1 Lessons learned are documented and integrated into adaptive project management by project partners and beneficiaries.

Under **Output 4.1**, a comprehensive Knowledge Management and Learning (KM&L) framework is established. This framework creates structured feedback loops that link data collection, analysis and decision-making. Lessons learned (including those of outputs 2.3, 3.1 and 3.2 and those related to gender outcomes), are systematically documented and used to adjust implementation strategies and inform future programming.

4.2 Communication material is centralized and strategically communicated to inform scale-up and replication through global knowledge platform.

Through **Output 4.2**, the project develops and disseminates strategic communication materials to share its findings with a wider audience, and stimulates replication and scaling across other supply chains. A unified communication plan ensures consistent messaging across components, while diverse formats, reports, digital content and outreach campaigns, support knowledge dissemination and stakeholder engagement through a global knowledge platform. To this end, the project foresees an easily accessible online presence with global knowledge tools, as well as self-paced learning, self-assessment tools and guidance for implementation of the developed global tools. Communication efforts emphasize the project's role in enabling systemic change and scaling successful approaches.

Component 4: Monitoring and Evaluation (Outcome 5)

The project is supported by a robust Monitoring and Evaluation (M&E) framework that ensures accountability and adaptive management.

5.1 Project interventions are continuously monitored.

Under **Output 5.1**, project performance is continuously tracked using defined indicators, including sex-disaggregated data. Regular monitoring allows for early identification of deviations and timely corrective actions, ensuring that implementation remains aligned with objectives.

5.2 The project is evaluated.

Under **Output 5.2**, periodic evaluations, such as annual reports/PIRs and a terminal evaluation, assess progress, effectiveness and sustainability. These evaluations generate insights that feed back into the KM&L framework, reinforcing the project's learning-oriented approach.

Together, the four components form a coherent and iterative approach in which **knowledge generation, stakeholder engagement and validation, and learning mutually reinforce each other**. By combining global analytical work with global testing and validation, and systemic learning, the project addresses both the technical and structural barriers to sustainable supply chains. It ultimately contributes to aligning sustainability standards, empowering stakeholders, and maximizing global environmental benefits while ensuring inclusiveness and gender equality.

The project adopts a whole-of-system approach to stakeholder engagement and gender equality, ensuring that both are not treated as stand-alone aspects but as integral drivers of effectiveness and sustainability. Stakeholder feedback loops are embedded across all components through the KM&L framework, ensuring that insights from diverse actors, including women and underrepresented groups, inform adaptive management and scale-up strategies.

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

No

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

UNIDO as the Implementing Agency will oversee the sound execution of project activities. The envisioned engagement with ITC and UNGC as potential executing entities represents a strong combination of expertise, resources, and networks, which can significantly enhance the effectiveness and impact of the project. This partnership provides a robust platform for global outreach and influence on a wide range of stakeholders, from policymakers to industry leaders and the trade community, increasing trust and buy-in, higher legitimacy in advocacy, and cross-sectoral collaboration. The exchange of partners' expertise and results from the project will enhance the ability to share knowledge and best practices and to mobilize financial and technical support for scaling up and replication.

Project Structure

The envisioned project structure will be led by a **Project Steering Committee (PSC)** made up of high-level representatives to co-chair, **UNGC and ITC** as well as other relevant organizations will be invited. Invitations will be sent to the implementing agencies in related GEF projects, including UNEP, UNDP, FAO, IFAD and organizations with similar ongoing projects like the OECD and World Bank. The PSC will meet once per year and will oversee and approve annual work plans and budgets, as well as the annual progress reports. The PSC will act as an advisory and supervision mechanism for strategic guidance and ensure successful implementation. To ensure compliance with GEF fiduciary requirements and avoid conflicts of interest, UNIDO will be a member of the Project Steering Committee, participating in an advisory capacity, without exercising voting rights. All decisions adopted by the Project Steering Committee shall remain subject to UNIDO's non-objection decision, exercised in its capacity as the Implementing Agency responsible for project supervision and oversight, in accordance with UNIDO's applicable rules, policies, and procedures

Specific Execution modalities will be determined and validated during the PPG.

Core Indicators

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	2,000			
Male	3,000			
Total	5,000	0	0	0

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

The project approach has a high potential of extended impact across the three selected supply chains and future replication in other supply chains. The global knowledge and capacity-building tools will be globally dispersed for piloting, testing and validation within this project across the comprehensive target groups of suppliers, buyers, and governmental stakeholders. The project will thus engage a broad range of stakeholders, particularly the private sector in all tiers of value chains, will trigger important changes toward sustainability, adopting better practices, technologies, reporting systems and ultimately, business models as pursued by the sustainability standards. Given the piloting, testing, and validation nature of the project, however, no concrete GEBs are calculated besides the expected number of people benefitting from GEF-financed investments. Given that the project's objective revolves around global capacity-building and knowledge assets, the Core Indicator 11, which captures the total number of direct

beneficiaries (individual people, including the proportion of women) receiving direct assistance from the project activities accounts for the following:

- 1) Private and public stakeholders (buyers and supplier companies, governments, associations and technical cooperation organizations), receiving targeted information from the different knowledge products to be delivered by the project, through dialogues and awareness-raising meetings and events.
- 2) Private and public stakeholders (buyers and supplier companies, governments and associations), testing and validating the tools.
- 3) Suppliers in the pilot supply chain, participating in the validation of tools.

The project is expected to generate GEBs that are shared globally and disseminated throughout the broader GEF partnership. Stakeholder selection in the plotting process will be through expression of interest rather than direct selection. Besides these direct beneficiaries, the project is expected to deliver indirect effects through future scaling and replication, particularly related to Core Indicator 9.7, 6.1 and 4.3.

This scaling is underpinned by the following indicative assumptions:

1. Replication across supply chains: Tools piloted, tested and validated globally for the priority supply chains; besides the direct pilot cohorts, validated tools will be disseminated to supply chain actors already involved through projects of the IE and EEs (likely to double the direct outreach).
2. Adoption by market actors: a subset of participating buyers validating the tools (estimated 20%) will adopt the tools across operations, and further disseminate them to their direct and indirect suppliers along the supply chains, potentially reaching 3-5 times the number of firms directly validating the tools.
3. Geographic and supply chain scaling: Building on the validated global tools, supply chain actors in additional countries (besides those with a major role for selected supply chains) and in additional supply chains (i.e., besides the three priority supply chains) will be able to use the global tools through dissemination of IE and EEs networks, partners, and existing and future (GEF) projects.
4. Policy and standards: Outputs will inform regulatory and standards processes, influencing the global governance of global supply chains and as such indirectly deriving GEBs.

As such, these impacts contribute to biodiversity outcomes under the KMGBF, particularly Target 7, Target 10 and target 16, through systemic improvements in supply chain practices driven by sustainability regulation and standards.

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Low	Risk: Supply chain actors engaged in the project could be negatively affected by climate change effects during the project life, diverting their attention away from the project. Mitigation: Integration of climate adaptation and mitigation practices through sustainability standards promoted under the project; Demonstration of resilient practices, technologies, and management approaches; Focus on value chains and actors already exposed to climate risks, strengthening relevance and incentives to participate
Environmental and Social	Low	Risk: Sustainability regulations may disproportionately affect suppliers and smallholders, with potential unintended social impacts, including on

		vulnerable groups and gender equality. Mitigation: Application of UNIDO/GEF environmental and social safeguards; Integration of gender-responsive approaches and stakeholder consultations; Inclusion of smallholders and MSMEs in capacity-building and dialogue mechanisms; Explicit output on monitoring of potential unintended impacts; project knowledge management and learning framework to adapt the project to potential impacts and learnings.
Political and Governance	Low	Risk: Perceptions of sustainability regulations as non-tariff barriers may limit cooperation from producer countries. Mitigation: Inclusive multi-stakeholder global dialogue platforms engaging producer countries; Emphasis on transparency and co-creation of approaches; Alignment with existing international frameworks and initiatives; Communication strategy to position project as facilitative.

INNOVATION

Institutional and Policy	Moderate	Risks: Limited engagement from governments and potential perception of bias toward specific standards. Mitigation: Neutral, evidence-based approach to sustainability standards; Engagement of a broad spectrum of standard-setting bodies and stakeholders; Clear communication of the project's convening and neutral role; Engagement to support informed policy alignment
Technological	Low	Risk: Limited access to private sector data may constrain development of tools and knowledge products. Mitigation: Partnerships with associations and platforms; Data-sharing agreements with safeguards for confidentiality; Use of existing datasets and triangulation methods; Incentivizing participation through visibility and benefits
Financial and Business Model	Moderate	Risk: Resistance from buyers and supply chain actors to adopt new cost-sharing and compliance models. Mitigation: Demonstration of success stories for sustainable supply chains; Engagement of lead firms and champions (e.g., outputs 1.3 and 3.1); Knowledge management and Learning framework to illustrate return on investment in cost-sharing and new business models

EXECUTION

Capacity	Low	Risk: Limited capacity of executing entities to implement a global, technically complex programme. Mitigation: Selection of Executing Entities will ensure the required fiduciary capacity, internal controls, processes, and policies in line with GEF policies and minimum standards.
Fiduciary	Low	Risk: Potential weaknesses in fiduciary management by executing entities. Mitigation: Selection of Executing Entities will ensure the required fiduciary capacity, internal controls, processes, and policies in line with GEF policies and minimum standards.
Stakeholder	Low	Risk: Insufficient sustained stakeholder engagement during implementation. Mitigation: Strong stakeholder engagement during design of the project; stakeholder mapping and engagement plan; continuous dialogue and feedback

		mechanisms through knowledge management & earning and monitoring and reporting frameworks.
Other		
Overall Risk Rating	Low	The project is considered with a Low overall risk

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

Due to the comprehensive environmental scope that sustainability standards (voluntary and regulatory) have across the selected supply chains, the project aligns with several GEF-8 programming priorities.

- **Chemicals and waste**

The GEF focal area on chemicals and waste has made significant advances to integrate holistic approaches to manage chemicals and waste within sectors and major supply chains, including textiles, gold and plastics. **The project is targeting 3 supply chains with important use of chemicals, adding to these efforts for more holistic and integrated interventions.** The comparative framework of sustainability standards organized with a vertical logic, which will include chemical/waste-related indicators to the extent covered by the analyzed standards, will serve as a tool for stakeholders to identify support pathways with an integrated approach that drive forward the transformation of entire supply chains. **The project aligns with “Objective 1: Creation, strengthening and supporting the enabling environment and policy coherence to transform the manufacture, use and sound management of chemicals and to eliminate waste and chemical pollution”**, particularly relating to the activities “Access to, and transparency of chemical information in products and materials across supply chains” and “Policy, legislation, and technical capacity to manage products, materials and chemicals containing hazardous chemicals throughout their lifecycle, including trade”. It does so by including standards that consider environmentally sound management of chemicals and promoting the harmonization of these frameworks, so that the adoption of practices by the private sector to phase out hazardous chemicals and reduce waste become more cost-efficient. Institutional capacities are being targeted by the project so that public and private stakeholders are better equipped to enhance the enabling environment and policy coherence to adopt practices that contribute to sound chemical management and waste elimination while complying with requirements established by the market.

- **Climate Change**

The project supports the GEF’s climate change goals by promoting the adoption of sustainability standards for a paradigm shift in supply chains to pursue net-zero GHG emissions along all segments of supply chains, particularly in high-emitting sectors like mining, textiles, and agriculture. In this sense, it aligns with Pillar 1. *Promote innovation, technology development and transfer, and enabling policies for mitigation options with systemic impacts*, specifically with Objective 1.1, which focuses on *accelerating efficient use of energy and materials*. By promoting collaborative approaches within supply chains, the project aims to reduce energy

consumption and encourage responsible material sourcing. Strategies such as circular economy practices, digital technology, energy efficiency adoption, etc., facilitate compliance with certification schemes or regulations that require tracking and reduction of CO_{2eq} emissions, helping to lower energy use per unit of output. Particularly in cocoa production and mining activities, sustainability standards seek reduction of emissions from deforestation and ecosystem degradation, generating co-benefits such improved livelihoods, enhanced biodiversity and reduced land degradation. The project also emphasizes skills development and knowledge sharing to support the transition to low- and zero-carbon products and processes.

• Land degradation

The project addresses the GEF's land degradation focal area thanks to the provisions established in sustainability standards on avoiding land degradation and deforestation practices linked to cocoa production and mining. It supports *Objective 1. Avoid and reduce land degradation through sustainable land management*, mainly in the cocoa supply chain. This includes adopting regenerative and climate-smart agriculture practices to enhance yields and reduce agrochemical inputs.

Across all these priority areas, the project relates to and contributes to the goals of several multilateral agreements, notably:

1. **Stockholm Convention on Persistent Organic Pollutants and Strategic Approach to International Chemicals Management (SAICM):** The project contributes to the objective of adopting sound chemical management and waste elimination in supply chains.
2. **Minamata Convention on Mercury:** The project contributes to the objective of controlling, and where feasible, reducing emissions or mercury compounds.
3. **Paris Agreement:** The project supports the goal of limiting global warming and enhancing countries and industries' adaptive capacity.
4. **Convention on Biological Diversity (CBD):** The project raises awareness on supply chains' role in conserving biological diversity and 'promotes nature-positive practices in production and manufacturing. As such, the project contributes to the Kunming-Montreal Global Biodiversity Framework (KMGBF) through:
 - **Target 7:** By reducing pollution risks associated with agrochemicals and hazardous substances through improved sustainability standards and supply chain practices;
 - **Target 10:** By promoting sustainable agricultural practices and reducing deforestation pressures in value chains such as cocoa;
 - **Target 16:** By advancing sustainable consumption and production patterns through improved alignment of sustainability standards and supply chain transparency.
5. **United Nations Sustainable Development Goals (SDGs):** The project contributes to multiple SDGs, including:
 - **SDG 12 (Responsible Consumption and Production):** By promoting sustainable supply chain management and reducing chemical and waste pollution.
 - **SDG 13 (Climate Action):** Through promoting efforts to reduce GHG emissions and enhance climate resilience along entire supply chains.
 - **SDG 15 (Life on Land):** By promoting sustainable land management and elimination of practices that generate land degradation.

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities:

Civil Society Organizations: Yes

Private Sector: Yes

Provide a brief summary and list of names and dates of consultations

Stakeholder consultation during project preparation

UNIDO undertook a consultation process to ensure that this project proposal addresses the needs and challenges identified by a diverse range of stakeholders. This process included expert group meetings, bilateral meetings, participation in key workshops, high-level dialogue with UNIDO Member States, and action-oriented research to guide project design. Through this comprehensive process, UNIDO ensures that this GEF proposal is well-informed and strategically aligned with developing countries' priorities.

UNIDO's stakeholder consultation identified the need to scale up multi-stakeholder dialogue for evidence-based decision-making, deliver sector-tailored support to tackle root causes, and establish robust monitoring mechanisms to track progress of how sustainability regulations are impacting economies, environment, and societies. Businesses must be supported in transforming their strategies and business models to prioritize sustainability. Additionally, promoting collaborative approaches for long-term value creation, raising awareness about new regulations, and developing tools for compliance and due diligence are identified as crucial. Efforts should also focus on capacity development for government agencies. Capacity-building and skills development programs for policymakers, regulators and government agencies, as well as exporters, suppliers and producers, are key to bridging knowledge gaps and ensuring the effective implementation of sustainability standards and greater contribution to mitigate global environmental problems from supply chains in their role of economic development drivers.

- **Expert Group Meeting:** In June 2023, UNIDO organized an Expert Group Meeting bringing together over 30 supply chain specialists from various sectors and regions. The purpose of this meeting was to identify key constraints and their root causes in sustainable supply chains, and to explore avenues for collective action. The needs identified included scaling up multi-stakeholder dialogue to inform evidence-based decision-making,

delivering tailored country-driven support, establishing monitoring mechanisms, supporting businesses in transforming their strategies to prioritize sustainability, developing sustainability skills through policy frameworks and private sector engagement, and promoting collaborative approaches for long-term value creation in supply chains.

- **Bilateral meetings:** Between October 2023 and April 2024, UNIDO held bilateral meetings with key government agencies, industry representatives, and research institutions in Morocco and India. Meetings focused on assessing stakeholders' understanding of the implications of recent legislative developments and awareness by policy makers, regulators and suppliers in industrializing countries. These discussions highlighted the need for tailored support (including institutional capacity development and skills development) and guidance on how best to minimize risks and maximize opportunities associated with sustainability-driven regulations originating in buyer countries.
- **High-level dialogue with 100 stakeholders and UNIDO resolution:** In December 2023, UNIDO undertook a high-level dialogue involving over 100 stakeholders, including representatives from UNIDO member states. The discussions helped UNIDO understand governments' perspectives on advancing sustainable supply chains and share best practices. Following this high-level dialogue, a UNIDO resolution was passed, providing UNIDO with a strong mandate to develop initiatives, such as this GEF proposal, on the topic of aligning sustainability standards.
- **White Papers and calls to action:** Building and capitalizing on stakeholder consultations, UNIDO developed two white papers summarizing the key findings and recommendations from the stakeholder engagements and including a call to action. These documents provide a strategic roadmap for addressing the identified challenges and have guided the present GEF project proposal.
- **Participation in relevant workshops to test-out ideas to put forward in the GEF proposal:** UNIDO has actively participated in key workshops to present its work and gather insights from other international organizations on identified needs and proposed activities. Notably, UNIDO participated in the World Bank's workshop on 'Strategies for Complying with EUDR', from which insights pertaining specifically to the cocoa supply chain (among other commodities) were collected.

Annex J is attached.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Low			

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non- Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
UNIDO	GET	Global	Chemicals and Waste	SAICM	Grant	1,903,270.00	180,810.65	2,084,080.65
Total GEF Resources (\$)						1,903,270.00	180,810.65	2,084,080.65

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

50000

PPG Agency Fee (\$)

4750

GEF Agency	Trust Fund	Country/	Focal Area	Programming of Funds	Grant / Non-Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
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		Regional/ Global						
UNIDO	GET	Global	Chemicals and Waste	SAICM	Grant	50,000.00	4,750.00	54,750.00
Total PPG Amount (\$)						50,000.00	4,750.00	54,750.00

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
Total GEF Resources					0.00

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
CW-1	GET	1,903,270.00	4883880
Total Project Cost		1,903,270.00	4,883,880.00

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Others	International Trade Centre	In-kind	Recurrent expenditures	3500000
Others	United Nations Global Compact	In-kind	Recurrent expenditures	1155600
Private Sector	osapiens Holding GmbH	In-kind	Recurrent expenditures	188280
GEF Agency	UNIDO	Grant	Investment mobilized	40000
Total Co-financing				4,883,880.00

Describe how any "Investment Mobilized" was identified

Investment mobilized through grant by UNIDO as co-financing.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Ganna Onysko	4/23/2025	Ganna Onysko	00431260263647	g.onysko@unido.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
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ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place

The project is global and thus does not include a specific project location.

ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title

Annex J

ESSSupportingDocument_Annex F

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	No Contribution 0	Significant Objective 1	Significant Objective 1

ANNEX F: TAXONOMY WORKSHEET