

Promotion of circular economy in the textile and garment sector through the sustainable management of chemicals and waste in Ethiopia

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10683

Countries

Ethiopia

Project Name

Promotion of circular economy in the textile and garment sector through the sustainable management of chemicals and waste in Ethiopia

Agencies

UNIDO

Date received by PM

2/25/2022

Review completed by PM

5/3/2022

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

5.13.2022:

Cleared

5.9.2022:

On Table A: please include the Focal Area outcomes.

Agency Response

Agency Response 5.13.2022

The Focal Area outcomes were included in Table A.

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 5.13.2022:

Cleared

5.9.2022:

On Table B: components 2 and 3 include technical assistance and investment. The investment part of the components seem to be missing the expected outcome. Please include this information, or if the outcomes were same as those from TA, please mention such in the CEOER.

Agency Response

Agency Response 5.13.2022

The expected outcomes of the investment parts or component 2 and 3 are included in table B.

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

Secretariat Comment at CEO Endorsement Request

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

5.3.2022:

Cleared

3.4.2022:

- Some support letters seem to be pending signature; e.g., NRDC.
- ?In kind? is typically ?recurrent expenditure?. Further elaboration as to why the in-kind contribution from the recipient country government is considered as investment mobilized and not recurrent expenditure would be helpful.

Agency Response

NRDC letter and support letters from ICLEI Africa and ASOS are attached as a supporting documents.

The In-kind contribution from the recipient country government is in term of 'recurrent expenditure', it was corrected in the CEO document.

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 5.3.2022:

Cleared.

3.4.2022:

It is not clear if the project will leverage supply chain approaches mobilizing private companies to make greater impacts on reduction of POPs and wastes or GEBs will be achieved solely within the country.

Agency Response

The project will address the entire value chain, in and outside the country. The project will facilitate regional outreach and dissemination of information through the project Knowledge Management platform and building of synergies with ongoing national and regional initiatives within the African continent especially through the cooperation with GIZ and AfDB and their platforms in the continent. Particularly, the project is partnering with international brands and will benefit from their knowledge platforms, best practices, CSR initiatives, not only their suppliers in participating country but in neighboring countries will benefit from the project activities. Thus, the best practices will be adapted by other countries and suppliers which greater GEBs will be achieved.

The projects activities under component 2 will address chemicals and wastes management to along TG value chain for products free of hazardous chemicals. Under component 3, the project will establish partnership and cooperation with global fashion brands, their suppliers and global textile organizations (Output 3.6). Component 4 will support capacity building, knowledge sharing, information, education and communication across the different components and scale up project results nationally, regionally, and globally, by creating and curating knowledge, information, education, safer alternatives, and sound management practices.

In the course of the PPG phase the support and involvement of all stakeholders along the value chains have been enlisted in the project i.e. input raw suppliers; the textile industries, garment production companies; waste recycling companies; international brands and retail outlets; municipal waste management authorities/agencies; regulatory agencies; business associations; and banking and development financing institutions, etc. In the course of implementing the full-size project further engagement of and consultations with the relevant stakeholders in order to broaden the network of supply/chain involvement and participation in order to be able to close the resource loop and enhance the project impacts/GEBS.

Summary of the description was added and highlighted under table E

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

5.3.2022:

Cleared.

3.4.2022:

- Component 2 seems to cover 'reduction', whereas Component 3 seems to cover 'reuse' and 'recycle', in a separate manner. Please elaborate on, in which Component, how, the optimization of the entire 'cycle', in a holistic manner, be considered and assessed,

beyond the sub-optimization within each phase or Component. Also, circular economy generally covers entire supply chain which involves multiple stakeholders - not just manufacturers, but also suppliers, distributors, users etc. Although the proposal appears to well cover the role and the view of manufacturers and processes they are involved, other aspects of circular economy would require further elaboration.

- Safe and environmentally-sound management of removed chemicals from textile supply chains is not clear including the final disposal.

- Title of Component 2 is 'Recyclability of ??'. Does Component 2 only cover recyclability, or something more (like reduction or removal etc.)? If so, please consider revising the title that matches the actual activities etc. under Component 2.

- Investments/demonstrations are mentioned under Components 2 and 3. Please mention actual sites these investments/demonstrations will take place or if not determined yet, please elaborate on how these sites will be determined (i.e., process, criteria etc.).

- Please elaborate on the actual BAT/BET/RECP that will be demonstrated and implemented under Components 2 and 3. If these are to be determined, please provide several potential examples /candidates, with explanation on the process /criteria in finalizing these.

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

Agency Response - As the removal of hazardous chemicals in textile production is a prerequisite for sustainable circular models, reducing and phasing out the use of hazardous chemicals in the textile sector is needed. Moreover, under Component 1, activity 1.1.6 will address the imported material (supplier), it will build capacity to test and monitor the supplies to ensure the imported fabric for garment making is POPs free. The main goal of Component 2 is to implement BAT/ BEP/ RECP methodology and Circular Economy concepts for the prevention and reduction of POPs and other hazardous chemicals and materials used in textile and garment production facilities. This will enhance the recyclability of textile fabric and its wastes that are generated upstream in the textile mills and garment making operations. The POPs free fabric from the textile mills will be used in garment production process, and recycling operations through the introduction of green product design, improved operational efficiency and sustainable municipal waste management plan as part of implementing circular economy concept under component 3. Furthermore, the implementation of RECP methodology will minimize wastes and any wastes generated will be POPs free fabric.

Some of the participating facilities have integrated facilities (fabric and garment) and the project will ensure the elimination of the use of POPs chemicals as well as the minimization of wastes through BAT/ BEP/ RECP especially in the fabric/textile facilities before they are used in the garment facilities, where circular economy concepts will be implanted for the reuse and recycling of the discards.

The project will focus primarily on 'post-industrial/pre-consumption' wastes and not on post consumption waste such as worn garment. However, based on the pilot demonstration location and the assessments results, post consumption wastes might be included. Through the development of ESM plan (output 3.1), the post-consumer can be integrated in the future. Under output 3.7, the project will link to ongoing TG waste initiatives, other TG industrial facilities wastes and municipality TG waste.

The project is partnering with local recyclers and waste management entities as well as ZDHC on CE and sustainable chemicals management.

- Technical guidelines for environmental sound management of POPs chemicals and wastes will be prepared under output 2.1. To reflect the output, activities 2.1.1, 2.1.3 and 2.1.4 were modified to reflect the wastes management as well as the chemical one.

Under Activity 2.2.3 options/strategies for implementing resource efficient and cleaner production (RECP) techniques and deployment of environmentally sound technologies

(ESTs) for chemical and waste management will be identified. Based on these options, techno-economic feasibility will be carried out to identify the most efficient environmentally-sound management of eliminated chemicals, wastes and stockpiles (Output 2.3).

-Titled revised to "Efficient and POPs-free textile manufacturing process through the implementation of BAT/BEP and RECP investments".

- The investment intervention of component 2 will demonstrate the recommended BAT/ BEP/ RECP options based on the findings of the assessments and the techno-economic feasibility studies under Output 2.3. The pilot investment demonstrations under this component will be implemented in the all participating companies listed in the project document and the description provided in the ESMP (Annex J).

Based on the assessment findings (output 3.4 and output 3.5) on the BAT/BEP options for recycling/reuse of textile and garment wastes generated in all participating facilities, component 3 will ensure economic viability and financial profitability of private sector investments in pilot demonstration/technology for the ESM of TG wastes from the selected TG facilities. Under this component, the project will link to ongoing TG waste initiatives, other TG industrial facilities wastes and if possible municipality TG waste, in order to maximize the benefit of the pilot recycling/reuse technology/facility.

- The BAT/BET/RECP will be identified based on the detailed assessment after the inception of the project. The options will be derived from the BAT/BEP guidelines of Stockholm convention and from the EU Best Available Techniques (BAT) Reference Document for the Textiles Industry but also from other sources such as from the industry initiative "Zero Discharge of Hazardous Chemicals (ZDHC)". The latter is very important as it also considers pollutants present in textile product which is crucial for closing the loop, i.e. to re-use and recycle textiles. This requires the design of textile products in a way that the application of chemicals of concern including POPs, uPOPS and hazardous which are already identified but not regulated so far (precautionary approach). Important examples for this approach are all poly- and perfluorinated compounds whether with a carbon chain of four up to 10 carbon atoms, other than PFOS and PFOA. The same is true for brominated and chlorinated flame retardants, biocides, and water or oil repellents.

UNIDO RECP methodology will be used for resource conservation and waste minimization, usage for renewable energy and water management. Developing improvements based on the RECP methodology follows the logical approach of assessment, root cause analyses and option generation. Feasibility studies of the options are performed to include technical feasibility, economic and environmental and social sustainability. Apart from technical and financial decision criteria also several more or less intangible criteria are used such as improved image, corporate social responsibility; compliance with transparency and traceability requirements, green product development, and improved relationship with national and international stakeholders

and liability issues. Barriers which may hamper implementation can be the lack of finance, time and space constraints, lack of capability to absorb the new technologies and processes.

Examples/candidates were added in the CEO endorsement document.

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

5.3.2022:

Cleared.

3.4.2022:

Section A6 on innovativeness, sustainability and scaling up seem to be completely missing.

Agency Response

Section A.8 Innovativeness, sustainability and potential for scaling up were added.

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

5.3.2022:

Cleared.

3.4.2022:

Please provide legend. Also, please provide coordinates.

Agency Response

Legends and coordinates added.

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

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

5.13.2022:

Cleared

5.9.2022:

Section 6 (Institutional Arrangement and Coordination) makes reference to a Regional

Executing Entity namely the Africa Institute for Environmentally Sound Management of Hazardous and other Wastes?(Africa Institute) ? it is explained that this organization ?will execute, manage and be responsible for the project regional activities on a day-to-day basis for this project and the Regional project in Lesotho, Madagascar and South Africa?. Only two paragraphs after there is a mention to the executing partner mentioned in the Project Information section, which is the Ethiopian Textile Industry Development Institute (ETIDI). It looks as if this project is part of a Regional initiative, which does not fit with the project description. Please clarify (if needed, then the Africa Institute needs to be included as another executing partner).

Agency Response

Agency Response 5.13.2022

The project will be implemented as a regional one (linking with Africa Regional project GEF ID 10543). Africa Institute will be the Regional Executing Entity coordinating both projects and is added as another executing entity in the Project Information section. All the changes were highlighted in the CEO endorsement.

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

Yes.

Agency 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

5.13.2022:

Cleared.

5.9.2022:

On M&E: Regarding the M&E budget in section 9, please include a line with the total (in the table). If we add the numbers of the activities stipulated in the table (10,000+10,000+20,000+30,000+40,000= 110,000) it does not match the total provided in Table B and in the overall project budget (\$107,250). Please check and correct across all budget tables.

Agency Response

Agency Response 5.13.2022

The table was revised in section 9. Monitoring and Evaluation section to show the \$107,250 budget.

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

5.3.2022:

Cleared.

3.4.2022:

Annex B: Response to project reviews is incomplete. For example, response to comments to several Council Members are missing, or hid.

Agency Response

The responses were introduced in the respective section of the CEO document at the time of the submission as well as uploaded as an annex in the Roadmap -> Documents section. We tried re-introducing them on several occasions from different browsers but the Portal crashes each time. Currently, there is a mixture of screen shots and text which we managed to save and we hope is visible on your end.

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 5.3.2022:

Cleared.

3.4.2022:

Please provide legend. Also, please provide coordinates.

Agency Response Legends and coordinates added.

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

5.13.2022:

This CEOER is recommended for technical clearance.

5.9/ 3.4.2022:

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

Also, please correct the expected completion date to 08/31/2027 to meet the duration of 60 months

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	3/4/2022	
Additional Review (as necessary)	5/3/2022	
Additional Review (as necessary)	5/9/2022	
Additional Review (as necessary)	5/13/2022	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations