

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

Basic Information

GEF ID

10683

Countries

Ethiopia

Project Title

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

GEF Agency(ies)

UNIDO

Agency ID

UNIDO: 200231

GEF Focal Area(s)

Chemicals and Waste

Program Manager

Yuki Shiga

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

Yes, it is aligned with the GEF-7 strategy (CW 1-1).

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

10.13.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.04.2020:

To achieve the objective and the core indicators, the program will strengthen regulatory and institutional capacities, enhance recyclability of textile and garment wastes through POPs free textile technologies, promote circular economy through recycling and reusing textile/garment wastes, and scale up through knowledge management.

However, it is requested to provide further background and rationale as to why contaminated land is needed to be addressed (Component 2)

However, it is requested to provide further background and rationale as to why contaminated land is needed to be addressed (Component 3)

in the context of Ethiopia.

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

Agency Response

10/12/2020

Land contamination is not the main target of this project, it will only be a co benefit. The project will reduce/prevent land degradation through improving waste management practices and preventing open burning taking into consideration the limited available land.

Thus, Land contamination was removed from component 3.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

10.15.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.13.2020:

Please elaborate further on 'how' investments were mobilized for the 'Others' source (i.e., ETIDI, ETGAMA etc.).

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

10.04.2020:

Please elaborate on 'how' investments were mobilized. For example, 'government investment is foreseen'. How has this been foreseen and how was the amount calculated/estimated?

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

Agency Response

10/15/2020

The project will benefit from the training programmes and workshops developed and run by Ellen MacArthur Foundation and ZDHC training programmes. EMF co-financing will be expected through their information and knowledge on Circular Economy and training toolkits and methodologies on CE.

During the process to develop the PIF, ETIDI and ETGAMA provided support to contact the private sector and provide data/information on the TG sector baseline. ETIDI co-financing is expected through providing support in capacity building, design and Garment training classes and facilities, market linkage, policy advocacy, logistics facilitation and laboratory testing and inspection. ETGAMA will provide investment in support of the textile business through coordinating networking, information sharing and dissemination, and partnership facilitation and management. The relevant explanation has been added under table C (please refer to the last paragraph. Highlights were not allowed by the portal).

10/12/2020

The explanation has been added under table C.

Through the consultation meetings held to develop the PIF, the Government committed to invest to support the project's objectives. This is foreseen through the Government's conducive investment friendly program, attracting more investments and foreign capital, and through its involvement in developing and strengthening of regulatory and institutional capacities as well as incentive schemes for promotion and sustainability of circular economy in the TG sector. Through the assistance of USAID, the government developed a Green Manufacturing strategy which aims to promote circular economy through the creation of new green industries and the greening of existing industries.

The co-financing expected from the government for the activities described above was calculated based on UNIDO's experience in implementing similar integrated municipal solid waste management and recycling projects.

The private sector co-financing will be further defined during PPG and other bi-lateral contributions (e.g. Italy, China and Japan) are being explored through collaboration and partnership programmes. The co-financing amount was calculated based on the costing methodology for the implementation of similar RECP/BAT/BEP and recycling operation. Specifically the cost of textile wastes recycling and conversion equipment was estimated based on quotes received from manufactures and based on experiences operating similar facilities. These will be further refined during PPG.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion Agency fees are in line with GEF policies and guidelines and within the resources available.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion Yes. However, please inform the OFP that this project does not use STAR allocation of Ethiopia indicated in the letter. Instead this project requests resources from the CW Focal Area Allocation.

Agency Response

Agency Response

10/12/2020

This comment is duly noted. The OFP will be informed accordingly.

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion Yes, it is within the allowance cap.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

10.15.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.13.2020:

The assumptions are provided. However, please further provide indicative time (years) needed in achieving the target.

10.04.2020:

Please also briefly describe assumptions on which these numbers are estimated (either in this section or under f. Global environmental benefits).

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

Agency Response

10/15/2020

These targets will be achieved within the lifespan of the project. However, based on the buy-in by other players in the TG sector, these targets can be exceeded. Based on further consultations, assessment studies and awareness raising during the PPG, more detailed timeline for the achievement on the targets will be elaborated. This has been added under the core indicators table (Highlights were not allowed by the portal).

10/12/2020

The assumptions were added under the core indicators section.

i. Metric tons of toxic chemicals reduced:

This figure (3.5 Metric tons of toxic chemicals reduced) is based on the initial assessment of the industries in terms of PFOS used in the textile and garment production, which need to be ascertained during PPG phase.

ii. Amount of wastes:

The preliminary estimates of the amount of waste in tons burned, incinerated or dumped in landfills in the country is 25,000 tons . However visits were undertaken only to some of the industries and there are still many to be visited. Hence the estimated UPOPs emission reduction is direct benefits. Indirect benefits will also be derived from resource efficiency and productivity improvement that will increase the economic competitiveness and profitability of the textile and garment sector companies and increase their outputs and reduce the volume of wastes generated. During the PPG phase, the amount of wastes generated, recycled, landfilled, open burnt and disposed will be thoroughly assessed and estimated.

Based on UNEP uPOPS emission toolkit for open burning of wastes operation, the uPOPs emission factor is 300 µg TEQ/ tons of wastes. The emission is calculated as follows: (300 µg TEQ/ tons of wastes.) *25,000 tons of wastes= 7,500,000 µg TEQ/1,000,000= 7.5 g TEQ

iii. Contaminated waste

The estimated total amount of waste generated is 100.000 tons of which 1.200 tons and 25.000 tons are recvclcd and incinerated

respectively. The balance 72,800 tons are disposed in open dumpsites. Based on initial estimate of 5% contamination, this gives 3690 tons of contaminated wastes.

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

10.04.2020: Please refer to the comment for Part I -2.

Agency Response

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

Secretariat Comment at PIF / WORK Program Inclusion

10.13.2020:

Cleared for the earlier comment on two GEF projects.

10.04.2020:

International projects should also include recently approved two GEF projects (10543 and 10523) which are closely related to this project. In terms of COVID-19 risks, please see the comments on risks below. Also, if there is any new opportunity arises from the pandemic, please describe in the baseline scenario.

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

Agency Response

10/12/2020

The two recently approved GEF projects (10543 and 10523) were added under the baseline projects. This project will be implemented with close linkages with the ongoing UNIDO regional textile project in Lesotho, Madagascar and South Africa (GEF ID 10543) which is being implemented in parallel and linkage with UNEP Asia regional textile project (GEF ID 10523) (paragraph 30).

The new opportunities arising from the pandemic have been included in paragraph 28: "Although the existing crisis has imposed some challenges, it has also provided opportunities to identify the shortcomings and vulnerabilities of the TG sector and to invest in necessary measures to address them. The spread of COVID-19 has disrupted the global supply chains at different levels which has necessitated the need to explore alternative supply sources and identify new markets for product and services. TG sector players are now looking for sources of supply of input materials that are reliable and less vulnerable to global shocks. Hence, to shorten the supply time, the TG sector will now have to identify local suppliers and alternative input materials like natural dyes and natural fibres that would be much easier to source."

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

10.15.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.13.2020:

Please further provide clarification on at which stage 'an assessment/ situation audit of the current waste management practices' and 'the gap analysis' will take place. At the PPG stage?

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

10.04.2020:

Please address the below points.

1. ToC

Although the ToC is in line with the similar project (GEF10543), it can be improved further. Project objective is not quite in line with what the PIF states. Please make it consistent (can be shortened). Challenges should include improper treatment of TG wastes, which will be addressed by this project. Activities include pilot demonstrations (under Component 2 and 3). Some assumptions are not clear (e.g. "efficient implementation" of the project is important but not necessarily achieves broader adoption (it rather ensures short-term outcomes?) and "no disruption to the TG sector" is not possible and this project rather should increase sustainability and resilience of the sector).

2. Component 2

Output 2.1.5 in this section says BAT/BEP and RECP implemented in at least two facilities while Table B says one facility. Please address the discrepancy. Please explain what BAT/BEP the project envisages under this component and what materials (e.g. cotton, polyester) this demonstration will target by applying such BAT/BEP to prevent or reduce POPs and other hazardous chemicals.

3. Component 3

While output 3.1.1 and 3.1.2 are important to prevent and reduce POPs-contained wastes, it is not clear how the project will transform current waste management practices and incorporate these ESM and ISWM, mobilizing various stakeholders and building appropriate infrastructure as described. Also, please describe how TG wastes will be constantly collected (and sources and mechanisms) to recycle/reuse them for production, including under output 3.1.7.

4. Component 2 and 3

Please also clarify if two demonstrations under output 2.1.5 and 3.1.7 are closely linked to create a circular supply chain. Also, other outputs under the two components should be coherent and create an integrated circular approach. If component 2 and 3 are separated and lose interlinkages, it will be difficult to demonstrate that the circular value chain works for the TG sector. In addition, further clarification is requested on: (i) specific steps in the value chain this project will address (e.g., manufacturing etc.); and (ii) what wastes are envisioned for reuse /recycling, and what wastes are intended for integrated solid waste management (ISWM).

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

Agency Response

10/15/2020

Indeed, the assessment/ situation audit/ capacity gap analysis of the current waste management practices will be undertaken during the PPG phase (relevant clarification has been added to paragraph 62).

10/12/2020

1. ToC was amended and added under paragraph 20

1. TOC was amended and added under paragraph 39

2. Component 2:

- Output 2.1.5 has been changed to two facilities in table B.

- The below explanation has been added to paragraph 50: "The Stockholm Convention on persistent organic pollutants has developed the Best available techniques and best environmental practices (BAT/BEP) to address emission and pollution from POPs chemicals in some industries including the textile sector. It will be implemented to reduce the presence of hazardous chemical and substances in the textile fabric and ultimately in the apparel and garment products by preventing the use and formation of POPs chemicals in the dyeing and finishing sections through the avoidance of chemicals containing elemental chlorine and other POPs precursors as articulated in the BAT/BEP Guidelines of the Stockholm Convention. This BAT/BEP will be applied to the production of any fabric types be it natural or synthetic material. These methodologies have been demonstrated by UNIDO and UNEP in many industrial sectors including textile industries. This will be implemented and will contribute to low carbon concept and "zero to landfill" approach of circular economy.

3. Component 3

- Please refer to paragraph 62 and the explanation below that has been added: "Prior to incorporation of ESM, an assessment/ situation audit of the current waste management practices will be undertaken and benchmark against international best practices to identify and analyze the capacity gaps. The outcome of the capacity gap analysis will provide the framework and strategy for the development of the ESM."

- Paragraph 69 has also been added to enhance clarity: " Natural and synthetic fabrics (cotton, polyester, acrylics, etc.) industrial wastes are the main targets for recycling and reuse under this output. Currently all the identified industries are located inside industrial parks and the wastes are being collected and segregated. Through the gap analysis, the project will identify ways of improving waste collections and handling techniques that will ensure linkage between the textile industry and garment/apparel production facilities. Through ISWM, the management of the wastes from the industries and municipalities, especially used clothing from households, will be closely linked and integrated to enhance the economic viability of the recycling operations.

4. Component 2 and 3:

The relevant explanation has been added in paragraph 49 under component 2:

"The demonstration under this component (2.1.5) will ensure that hazardous chemical and substances are removed from the textile fabrics, ensuring that the fabric input to the garment and apparel production (in component 3) are devoid of restricted substances. It will also enhance the availability of recyclable materials and sustainability of the investment in the pilot demonstration of recycle and reuse of TG wastes (output 3.1.7)."

Paragraph 68 has been strengthened as well:

"This output will build on the achievement and outcomes of the pilot demonstration in output 2.1.5, which aim at ensuring of the recyclability of TG wastes and discards."

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

10.13.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.04.2020:

Although this project's targeted contributions (per dollar) are higher than recently approved regional project "Promotion of circular economy in the textile and garment sector through the sustainable management of chemicals and waste in Lesotho, Madagascar and South Africa," it is still on the lower side, in terms of POPs reduction (Indicator 9.1). Please explore further POPs reduction opportunities during the PPG phase, including expanding the involvement of the private sector institutions and describe how the project will seek further opportunities to

increase GEBs including POPs reduction.

Also, there is a co-benefit of climate change mitigation through approaches this project will promote, including creating a circular supply chain model and direct climate mitigation measures. Please consider the Rio Marker for climate change mitigation. Please also explore how the project can capture climate co-benefits during the PPG phase at the latest.

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

Agency Response

10/12/2020

- This comment is duly noted and paragraph 99 has been added: "Further POPs reduction opportunities will be explored during the PPG phase, including expanding the involvement of the private sector institutions. The cooperation with ZDHC will help in developing a chemical inventory to monitor the use of safe chemical and ensure the elimination of POPs chemical use".

- Paragraph 102 has been added for more clarity on the co-benefits: 'As co-benefits, the project will reduce the GHGs emissions from the open burning operations. During PPG, the GHGs emissions reduction benefits will be captured using the UNFCCC appropriate methodology. The project also will reduce/prevent land degradation through improving waste management practices and prevention of open burning taking into consideration the limited available land and vulnerability of the country to climate change.'

Furthermore, the Rio Marker for Climate Change Mitigation has been updated

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

10.13.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.04.2020:

For sustainability, please also address financial issues for continuing circular economy value chains and climate mitigation investments. Creating resilient circular value chains may increase the resilience to crisis (e.g. climate change, pandemics) by reducing raw material inputs.

Increasing market values of TG products made with circular approaches and less harmful chemicals and emissions is also a key action for

scaling up the outcomes of the project, which requires coordinated action and common commitments across the relevant industries. Influencing global supply chains, together with relevant projects and initiatives, is also important to scale up as described in this section.

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

Agency Response

10/12/2020

- To clarify and strengthen the sustainability strategy of this project, paragraph 107 has been added:

"The project will provide technical assistance to build capacities to prepare investment projects and through engagement of public and private sector locally, regional and globally. Also, the project will develop financing mechanisms and business models for CE which will facilitate the attraction of new investments in green industries. The project will undertake a techno-economic feasibility study which will provide technology, financial and socio-economic data for sound investment decision making."

- The comments of scaling up is well received and the below paragraph 111 has been added to the PIF:

"In the process of developing the project, there have been broad based stakeholders engagement to be able to establish synergies and complementarities among relevant projects, programme and initiatives. This has been articulated in the PIF. During the PPG stage, in depth consultation will also be able to identify details of the projects and initiatives that are implemented by our partners to further deepen the impact of the project and its replicability and upscaling."

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

10.13.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.04.2020:

Yes, maps of potential demonstration sites are included. However, some project interventions (e.g. policy and regulatory reforms,

knowledge management) seem to be carried out in the capital (the government) and other locations. Please add the relevant references as appropriate.

Agency Response

10/12/2020

Maps for Ministry of Industry and Ethiopian Textile Industry Development Institute (ETIDI) were added.

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

Yes. The indicative information of identified stakeholders and some means of future engagement are provided while a detailed stakeholders engagement plan will be formulated during the PPG phase.

Agency Response

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

Secretariat Comment at PIF/Work Program Inclusion

Yes. There are significant opportunities to address gender issues in the TG and waste management sectors. Experiences in similar projects can be utilized to maximize the impact.

Agency Response

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

10.13.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.04.2020:

Details in private sector engagements prior to and during the project are provided. Please further explain what kind of mechanisms this project will place to bring different sectors (e.g. suppliers, manufactures, retailers, waste managers) and other stakeholders together to reverse the current supply chain and create a circular model together while maintaining economic efficiency, which is essential to achieve the project objectives.

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

Agency Response

10/12/2020

- Paragraph 126 has been added for more clarity:

"Public Private Partnership (PPP) mechanism and supply chain approach will be used to implement the project to mobilize the participation of the private sector in the project. The government will provide the enabling environment through incentives, requisite infrastructures and policy framework and where possible green investment financing. The private sector company through the CSR programmes will also

contribute to the project to improve their environment performance and social responsibly. Some of the partners will avail the project of their expertise, information and knowledge in the implementation."

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

10.13.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.04.2020:

COVID-19 risks: The textile and garment industry has been significantly impacted by the COVID-19 pandemic as indicated in the baseline scenario. While the impacts are expected to mitigate overtime, there may be impacts of GEBs this project will deliver including by changes in production volume, which may require additional involvement of TG companies. In addition, a circular approach may be also affected by the pandemic and improper dumping may increase. Please elaborate COVID-19 impacts and indicative mitigation measures, which can be then further developed during the PPG phase.

Climate risks: While the PIF takes into consideration vulnerability to climate change, it is requested to further conduct a basic climate risk screening at the PIF stage. At a minimum, at PIF stage, the climate risks should be identified, listed and described. This can include:

- a.) Outlining the key aspects of the climate change projections/scenarios at the project location (or as close to it with data available), which are relevant for the type of intervention being financed (e.g. changes in temperatures, rainfalls, increased flooding, sea level rise, saltwater acquirer contamination, increased soil erosion, etc).
- b.) Time horizon if feasible/data available (e.g. up to 2050). Please refer to list of examples from STAP guidance.
- c.) Listing key potential hazards for the project that are related to the aspects of the climate scenarios listed above (describe how the climate scenarios identified above are likely to affect the project, during 2020-2050).
- d.) Describing plans for climate change risk assessment and mitigation measures during PPG

(<https://stapgef.org/sites/default/files/publications/Climate%20Risk%20Screening%20web%20posting.pdf>)

Indicative mitigation measures are also not clear. In general, a circular value chain is more resilient than ordinary value chain since input raw materials, which may be disrupted by climate change as identified in the PIF, can be reduced. In terms of climate impact, the project may have potential to reduce carbon footprint with appropriate zero/low carbon technologies.

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

Agency Response

10/12/2020

- COVID 19 risks: The main COVID 19 risks associated to the project, as well as the related mitigation measures, were added to the table.

- Climate Risks:

Basic background information and screening were added in Paragraph 129-135. It is currently evaluated that risks of flooding at the selected sites are low. However during the PPG phase detailed site investigation and risk assessment will be undertaken in order to develop appropriate climate change mitigation/adaptation measures.

Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

10.13.2020:

Cleared. Earlier comment(s) are appropriately addressed.

10.04.2020:

The executing arrangement of the proposed project is unclear. The GEF guideline only allows implementing agency to also execute project activities on an exceptional basis. As such, further clarification is requested on this point.

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

Agency Response

Agency response

10/12/2020

The Ministry of Industry will serve as the project executing entity. However, UNIDO will make budgetary provision from the PPG for the institutional capacity assessment and selection exercise for the roles of project executing entity. UNIDO will not be involved in the execution of the project. The PEE will execute policy and institutional framework review; capacity assessment, provide some procurement services; organize awareness raising and public education; national workshops and training programmes, national stakeholders' mobilization and engagement; coordination of national pilot demonstration; progress monitoring and reporting. The PEE will also prepare national progress reports and arrange national Project Implementation Committee (PIC) meetings. The PEE will establish the National Project Management Unit (PMU); provide necessary administrative and secretarial support to the PIC and host its meetings. The PEE will identify competent national experts, agencies, institutions, business associations, and NGOs/CSOs that will execute country specific activities and monitor progress of implementation

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

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 PIF/Work Program Inclusion

Yes. The overall impact is categorized as B, indicating that the project is likely to have less adverse impacts on human populations or environmentally important areas, and it will be elaborated during the PPG phase with “Environmental and Social Management Plan.” Further information has been provided in the ESS screening document.

Agency Response

art III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

checked against the OLP data base.

Secretariat Comment at PIF/Work Program Inclusion

10.04.2020:

Yes. However, please inform the OFP that this project does not use STAR allocation of Ethiopia indicated in the letter. Instead this project requests resources from the CW Focal Area Allocation.

Agency Response

10/12/2020

This comment is duly noted. The OFP will be informed accordingly

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

10.15.2020:

This PIF is recommended for technical clearance.

10.13.2020 /10.04.2020: Not at this stage. Please address the above comments (please highlight the update).

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

| | PIF Review | Agency Response |
|----------------------------------|------------|-----------------|
| First Review | 10/4/2020 | |
| Additional Review (as necessary) | 10/13/2020 | |
| Additional Review (as necessary) | 10/15/2020 | |
| Additional Review (as necessary) | | |
| Additional Review (as necessary) | | |

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

CONTEX:

This project is aligned with C&W strategic objectives CW-1-1 (Industrial Chemicals Program).

The garment production industry is a highly resource-intensive sector activity. Textile production (including cotton farming) uses around 93 billion (93 million in Europe) cubic meters of water annually, which is about 4% of global freshwater withdrawal. Garment manufacturing uses over 66% of this water. Each year, around 0.5 million tonnes of plastic microfibers, equivalent to more than 50,000 million plastic bottles, resulting from textiles washing are estimated to be released into the ocean. More than USD 100 billion worth of materials each year is lost due to the fact that less than 1% of the material used to produce clothing is recycled into new clothing and only 13% of the total material input is in some way recycled after clothing use.

The two major environmental impacts of textile production and processing are basically the discharge of chemical pollutants including POPs; and the consumption of water and energy. Moreover, many textile industries in many African countries, including Ethiopia, are still using POPs chemicals in their industrial operations and due to lack of waste management policy framework and infrastructure; off cuts and textiles discards are either disposed in open burning operations and or in open landfills. The open burning operations results in the emission of dioxins and furans and greenhouse gases with serious harmful effects on humans and the environment.

COMPONENTS AND RESULTS:

This project will aim to strengthen the sound management of industrial chemicals and their wastes through better control, and reduction and/or elimination in Ethiopia to promote circular economy in the textile garment sector. Furthermore, the use of POPs will be prevented by promoting the environmentally sound management (ESM) of POPs and waste through the introduction of BAT/BEP measures to protect human health and the environment. The project will establish regional cooperation and network for information exchange and experience sharing as well as regional and inter-regional knowledge management.

The project is structured around five Components that will result in avoidance of 3,690 MT of POPs containing materials and approximately 3.5 MT of chemicals of global concern along with 3,000 direct beneficiaries, of which 2,000 are female, as co-benefit of GEF investment:

Component 1:

Strengthening of regulatory and institutional capacities for adoption and promotion of Circular Economy in the textile and garment (TG) sector

Component 2:

Recyclability of textile and garment wastes is enhanced

recyclability of textile and garment wastes is enhanced

Component 3:

Introduction of Circular Economy concept for UPOPs emission reductions

Component 4:

Knowledge management for scaling up

Component 5:

Monitoring and evaluation

INNOVATION, SUSTAINABILITY, SCALE-UP & GENDER:

The innovative approach of this project proposal lies mainly in the promotion of circular economy in the TG sector through BAT/ BEP actions for the prevention and reduction of POPs/ hazardous chemicals use and waste and TG waste with the simultaneous implementation of RECP (resource efficient and cleaner production) measures on possible energy efficiency, materials efficiency and renewable energy measures. This will enhance circular economy of the TG sector by reducing the use of natural resources, preventing/ reducing the use of POPs and hazardous chemicals, reducing health and environmental impacts while improving the efficiency and augmenting the profitability of TG facilities.

The enhancement and improvement of national regulatory mechanisms to promote circular economy in the TG sector will provide the framework for ensuring the sustainability of the project in the future years after project completion. In addition, the TG industry (i.e., facilities and National Associations, National Development Agencies and major international brands) involvement in the PIF preparation as well as in all project stages will ensure ownership, commitment, cooperation and partnership from TG companies that is expected to further contribute to the sustainability of the proposed project.

The holistic approach to prevent/reduce POPs/ hazardous chemicals use and its substitution by non-chemical alternatives if possible, the application of the RECP methodology, coupled with an effective promotion and enforcement of BAT/ BEP, could be used as a reference for the TG sector of other countries, the African region and beyond. The project will establish regional cooperation and network for information exchange and experience sharing as well as regional and inter-regional knowledge management. Specifically, the project will be implemented in close linkage with the ongoing UNIDO regional textile project in Lesotho, Madagascar and South Africa (GEF ID 10543) which is being implemented in parallel and linkage with UNEP Asia regional textile project (GEF ID 10523). The project will also collaborate with SWITCH MED II (SMII), an existing project targeting the sector in that North African region through experience and knowledge sharing.

A gender plan to address and mainstream gender issues in all project outcomes/outputs will be designed in the PPG phase and implemented in the project. In addition, mandatory UNIDO gender markers will be applied, and that the project shall be rated for gender relevance.

It is aligned with country priorities and will coordinate with relevant baseline initiatives on the ground.

The project will deliver additional global environmental benefits within \$20 million of co-financing.

