REVISED STAP SCREENING TEMPLATE, OCTOBER 2022

GEF ID	11326
Project title	IFC/GEF Green Global Supply Chain Decarbonization Platform
Date of screen	25 January 2024
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1. Summary of STAP's views of the project

STAP welcomes the IFC's green global supply chain decarbonization platform project, which seeks to create a financing mechanism to mitigate investment risks and support addressing Scope 3 emissions in the textile supply chain while addressing chemicals and waste issues. The project is well conceived, and the project document clearly presents the logic and rationale for the interventions. The derisking structure is well described and is feasible if rigorously implemented.

As the project is developed further, STAP recommends adopting the circular economy approach as a foundation premise for solutions that would be applied in the project. The project should also seek to address the energy, chemicals, and water issues in the textile sector in an integrated manner.

Overall, this is a well-prepared proposal, and STAP encourages the proponent to continue developing the project and implement it, with the same level of detail used in preparing this proposal.

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

STAP's assessment*

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

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

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

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

See annex on STAP's screening guidelines.

This is a well-conceived project with a clear objective, addressing Scope 3 emissions in textile supply chains. The description of the issues and the systems in which they are embedded was adequately presented, and the justification for addressing Scope 3 emissions and the need for a blended finance option was concise and convincing.

The proposal adequately presents the baseline, key challenges, and market barriers to addressing Scope 3 emissions in the textile sector. And the proposal effectively addresses each barrier by proposing interventions that will create enablers for achieving desired outcomes.

The project's theory of change is very simple but clearly shows which barrier/problems each intervention would address, how the interventions will lead to outputs and expected outcomes, and the indicators for measuring success. One missing element in the theory of change is the lack of inclusion of the assumptions underlying the pathways to achieve project goals.

The proposal clearly describes the project components and how the interventions will address specific challenges or barriers. The proposed derisking structure was adequately presented and explained and is feasible, with continued commitment from the global brand. More details are still needed on the specific interventions that will be implemented to address chemical pollution in the sector. STAP recommends that the proponent adopt a circular economy approach and encourages them to review the available literature on implementing circular economy in the textile sector, for example, <u>A New Textiles Economy: Redesigning Fashion's Future</u> and <u>Circular Economy and Climate Change</u>.

Since Scope 3 emissions in the textile industry span a wide range of aspects, including raw material production, dyeing and finishing, garment manufacturing, distribution, and retailing, there will be a need for detailed plans for the targeted Scope 3 emissions when developing the project further.

The proposal noted the potential to address water consumption and pollution concerns. While this is not a GEF focal area, this project can address energy, chemicals, and waste concerns in an integrated manner, and the proponent is encouraged to do this. The water benefits from the project can then be reported as co-benefits of the project. We also urge the proponent to report on the co-benefits already identified in the proposal, including the preservation of jobs, business and economic gains, water savings, protection of biodiversity and wetland habitats, etc.

The proposal noted that important stakeholders had been consulted and that a global brand was already on board, which is excellent. Also, there is ongoing coordination and cooperation with existing initiatives, including the UNFCCC Fashion Industry Charter for Climate Action, The Fashion Pact, and the Global Fashion Summit. To increase the program's impact and facilitate transformational change in the sector, the proponent may consider working with the Platform for Accelerating the Circular Economy (PACE), which has a <u>program focused on textiles</u>. It is also essential that the project coordinates with other GEF projects in the textiles sector, including in Ethiopia and Indonesia, as well as the GEF-8 Chemical Supply Chain Integrated Program.

By addressing the barriers of lack of information and lack of awareness at supplier level, the proponents are targeting interventions at the right level when it comes to Scope 3 emissions in the textile sector.

The proposal provided information on the expected GEBs from the project, as well as useful information on how the GEBs were estimated. More information on other chemicals apart from mercury benefits is still needed.

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

3. Specific points to be addressed, and suggestions

As noted, this proposal has been prepared with adequate rigor; STAP recommends that the proponent continue to fine-tune the proposal with the same level of rigor and address the following.

- 1. Strengthen the theory of change by including the assumptions underlying the pathways to achieving the project objective
- 2. Provide details of the specific interventions that will be implemented to address chemical pollution in the sector.
- 3. Adopt the circular economy approach in designing specific technical interventions.
- 4. Apply interventions that address energy, chemicals, and water concerns in an integrated manner.
- 5. Provide more information on the estimation of chemical management GEBs of the program
- 6. Ensure that the co-benefits of the project are reported.

7. Develop detailed plans on the aspects of Scope 3 emissions in the textile industry that the project will focus on (raw material production, dyeing and finishing, garment manufacturing, distribution, and retailing).

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

^{*}categories under review, subject to future revision

ANNEX: STAP'S SCREENING GUIDELINES

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

development and implementation of the project, and how they will benefit from the project to ensure enduring global environmental benefits, e.g. through co-benefits?

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

11. Innovation and transformation:

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