

Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate, and Oceans

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10658

Countries

Global

Project Name

Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate, and Oceans

Agencies

CI

Date received by PM

9/1/2020

Review completed by PM

10/23/2020

Program Manager

Anil Sookdeo

Focal Area

Multi Focal Area

Project Type

MSP

CEO Approval Request

Part I – Project Information

1. Focal area elements. Is the project aligned with the relevant GEF focal area elements as indicated in Table A and as defined by the GEF 7 Programming Directions?

Secretariat comment at CEO Endorsement Request

Yes. The project will achieve multiple benefits for chemicals, climate and biodiversity.

Agency Response

2. Project description summary. 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 Yes. The project is aligned with global efforts to address environmental degradation caused by the fashion industry.

Agency Response

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

Secretariat comment at CEO Endorsement Request N/A

Agency Response

4. Co-financing. Are the confirmed 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, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat comment at CEO Endorsement Request

Please provide co-financing letters.

Sept 15, 2020 - Letters provided. Comment addressed.

Agency Response Co-financing letters were included in Annex O of the Fashion Pact GEF MSP document. However, we have now included the co-financing letters as a separate attachment. Please see Annex O: Co-financing Letters.

5. GEF resource availability. 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 CEO Endorsement Request Yes

Agency Response

STAR allocation?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

Focal Area allocation?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request

Agency Response

SCCF (Adaptation or Tech Transfer)?

Secretariat comment at CEO Endorsement Request

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request

Agency Response

Impact Program Incentive?

Secretariat comment at CEO Endorsement Request

Agency Response

6. Project Preparation Grant. If PPG is requested in Table E.1, has its advanced programming and utilized been accounted for in Annex C of the document?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

7. Non-Grant Instrument. If this an NGI, are the expected reflows indicated in Annex D?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

8. Core Indicators. Are the targeted core indicators in Table E calculated using the methodology in the prescribed guidelines? (GEF/C.54/Infxxx)

Secretariat comment at CEO Endorsement Request Yes. The project is specifically and intentionally designed to set the basis for future GEB achievements that will directly result from the activities in the project.

Agency Response

CI-GEF 10/22

Core Indicators further revised to include targets that will be met during project duration.

9. Project taxonomy. Is the project properly tagged with the appropriate keywords as in Table G?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

Part II – Project Justification

1. Project Description. Is there 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. The project works along the supply chains of the fashion sector and identifies areas for improvement in environmental sustainability.

Agency Response

2. Project Description. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat comment at CEO Endorsement Request Yes. The project is aligned with the Fashion PACT and several ongoing initiatives in the fashion sector to improve the sustainability of the sector.

Agency Response

3. Project Description. Is there an elaboration on the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there more clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

4. Project Description. Is there an elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

5. Project Description. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

6. Project Description. Is there a 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. Project Description. Is there a better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat comment at CEO Endorsement Request Yes, the project will work with several brands and demonstrate approaches to achieving cost effective sustainability and through knowledge exchange through the Fashion PACT and other initiatives set the conditions for scaling up throughout the industry.

Agency Response

8. 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 No, however the site selection will be done during the initial stages of implementation.

Agency Response

9. Child Project. If this is a child project, an adequate reflection of how it contributes to the overall program impact?

Secretariat comment at CEO Endorsement Request

Agency Response

10. 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

11. 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

12. 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. The project will be working closely with several private sector enterprises in the fashion industry.

Agency Response

13. Risk. 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

14. 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

Yes, however consider including the GEF in the project steering committee.

Sept 15, 2020 - Comment addressed.

Sept 29, 2020 - It should be noted that the project was designed to be partially executed by the implementing agency. The Agency has a specific role in the fashion PACT and as such is the only entity that can execute the relevant activities. This arrangement is recommended for approval.

Agency Response The GEF will be invited to participate in the project steering committee. Details of participation to be confirmed before the first steering committee meeting.

15. Consistency with national priorities. Has the project described the consistency of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

16. 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

17. 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 Yes

Agency Response

18. 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

19. Annexes:

Are all the required annexes attached and adequately responded to?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

20. 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

Project Results Framework

Secretariat comment at CEO Endorsement Request Yes

Agency Response

GEF Secretariat comments

Secretariat comment at CEO Endorsement Request

October 6, 2020 Please see comments that were not addressed in the last round of responses:

- 1- On Core Indicators – please limit direct benefits for the two year period of implementation and add a note on future benefits from replication in the text under the core indicator table.
- 2- On Financial statement audit cost is included in the M&E budget – not addressed: still Audits are included in M&E - please amend accordingly.

3- On discrepancy between M&E budget in the budget table in Annex F and M&E budget under Section 9 – not addressed: as neither in Portal nor in the CEO Endorsement Request document the M&E has the totals, it is not possible to determine whether the amounts match - please ask the Agency to amend accordingly.

4- On the budget:

(a) On budget lines for sub-grants - addressed: in the review sheet it is explained that the grantees participated in the preparatory phase – however in Table 8 there is one sub-grantee not yet identified. That said, as funds will be disbursed via CI's Center of Sustainable Lands and Waters (which is part of the GEF Implementing Agency), one can understand that the Minimum Fiduciary Standards policy's principles and requirements will be followed.

(b) On sub-grantees organizations - addressed: see explanation above.

(c) On “in-house consultants” – in the review sheet it is explained that indeed these consultants are part of the GEF Implementing Agency and they will contribute specific deliverables to the execution of the project. However, the budget shows that only the GEF portion of the PMC has been utilized to cover the costs associated with the execution of the project (see screenshot below) – it is not shown that the co-financing portion of PMC (amounts to \$190,000) has been utilized to cover the costs associated with the project's execution, specifically the project's staff. As per guidelines, both –the GEF funds and the co-financing funds allocated to PMC— have to cover the costs associated with the project execution. Please note that this project has reported \$2,600,893 (or 54% of the co-financing) in grants. Once the co-financing funds for PMC are used to cover the executing costs (project's staff), the remaining amount not covered by PMC can be charged to the project's components.

(d) CI staff changed to the project's components – see comment (c) above.

(e) Use of co-financing funds allocated to PMC to cover the costs associated with the execution of the project (see comment (c) above).

Oct 13, 2020 - All comments expect the PMC is cleared. Please see below:

The co-financing part for the PMC described above that will cover part time of the project's staff is represented in grants (more than \$2,000,000) – hence, please include in the budget table (in both --the Project Document and Portal) the specific contribution to the project's staff as presented above (\$190,000).

October 23, 2020 - All comments addressed.

Agency Response

CI-GEF responses to questions received on September 28

Financial statement audit cost is included in the M&E budget, should be under PMC – please remove it from PMC and charge it to M&E Plan. [The M&E Budget in the document now matches with the M&E budget in the excel File-Annex F. Audit costs have been removed from the M&E table and is under PMC.](#)

The budget table template was cut and pasted to Annex F but there is no excel version uploaded in Portal, which is needed to review the detailed budget – please upload the excel version of the budget in the resubmission (please note that without this table it is not possible to provide a definitive assessment of the budget). [Annex F is now attached as an excel file.](#)

Total M&E budget in the budget table in Annex F is \$88,459 while similar M&E budget under Section 9. Monitoring and Evaluation totaled \$92,729. [The M&E budget in Section 9 and in Annex F now matches.](#)

For the budget table in annex F:

There are budget lines for sub-grants to IUCN, UNEP, and UNDP, however, these are GEF Implementing Agencies - it is not allowed to transfer GEF funds to GEF Agencies. If there is a need to for these Agencies to participate, they can act as co-implementing Agencies.

[Since its inception, the project was designed with these institutions as subgrantees, supporting the execution. It was not envisioned that these institutions would serve as Co-Implementing Agencies. Given that this is a MSP, the transaction costs and level of effort of having multiple IAs would be quite high.](#)

For the other organizations that would also receive sub-grants it is required to have a detailed explanation of the mechanism through which the Executing Entity selected these organizations, disburse the funds and manage the reflows (if appropriate).

[The subgrantee organizations were involved in the project design. This project was designed through a participatory manner and is thought of as a partnership. Therefore, there was not an open call for proposals but rather the organizations were selected based on their expertise and involvement in the Fashion Sector. The roles of each subgrantee are included in the 1-step document under Section 6 Institutional arrangements and coordination, please refer to table 8. Funds will be disbursed via CI's Center of Sustainable Lands and Waters. The Center will sign sub-grant agreements corresponding to specific project components, outcomes and budget as stated in the 1-step document](#)

Please clarify about “in-house consultants”: are these CI's staff who will contribute/work as consultants for this project?

[Yes, this is the case. The consultants will contribute specific deliverables to the execution of the project. Please see table specifying the deliverables that in-house consultants will contribute to.](#)

Detailed Description	Deliverables will be achieved through the following outputs
International- In-House Consultant Biodiversity Impacts Advisor & species Distribution Specialist	<p>This function will lead and advise on the biodiversity components of this project contributing to the following: Output 2.1.2: A suite of deep dive analyses are conducted (based on agreed “materiality analyses” of key commodities/supply chains) highlighting potential impacts/risks of fashion sourcing/supply chains on biodiversity. Output 2.1.3: Series of maps and analyses produced illustrating potential impact on biodiversity from sourcing by fashion companies for raw materials. Output 2.1.4: Scenario analyses completed using some key commodity/supply chains to map out possible results/outcomes for climate and biodiversity of different interventions by companies focused around improved sourcing of key raw materials.</p>
International -In-House Consultant: Communications & Workshop Specialist	<p>This function will assist with project communications materials & communication for the webinars contributing to the following: Output 2.1.1: More FP companies use enhanced methodology, decision trees, and tools to map impact on biodiversity and land use change at different scales and results are used for prioritizing action for more sustainable supply chains. Output 2.2.1: Companies are supported, trained, and provided with appropriate guidance on developing biodiversity strategies that align with SBTN and these strategies include specific actions for biodiversity conservation through more sustainable sourcing. Output 3.1.1: FP companies are supported and trained in sustainable sourcing actions that drive measurable outcomes for climate and biodiversity</p>
International In-House Consultant Corporate Sustainability Advisor	<p>This function will direct and lead the science-to-corporate translations throughout the project. It will utilize the scientific report outputs to collate a fashion sector guidance document that will be applicable contributing following outputs: Output 1.1.1: A Total Scope Assessment Methodology (TSAM) is developed for FP companies to assess/screen for environmental impacts and dependencies across their global supply chains. Output 1.1.2: Individual brands/companies can map their supply chains and understand which business operations drive negative environmental impact. Output 2.1.1: More FP companies use enhanced methodology, decision trees, and tools to map impact on biodiversity and land use change at different scales and results are used for prioritizing action for more sustainable supply chains. Output 2.1.2: A suite of deep dive analyses are conducted (based on agreed “materiality analyses” of key commodities/supply chains) highlighting potential impacts/risks of fashion sourcing/supply chains on biodiversity. Output 3.1.1: FP companies are supported and trained in sustainable sourcing actions that drive measurable outcomes for climate and biodiversity</p>

<p>International In-House Consultant Development of Project NCS Restoration Pathways Specialist</p>	<p>This function is responsible for outlining the methodology of the NCS restoration pathway contributing to the following outputs: Output 2.1.1: More FP companies use enhanced methodology, decision trees, and tools to map impact on biodiversity and land use change at different scales and results are used for prioritizing action for more sustainable supply chains. Output 2.2.1: Companies are supported, trained, and provided with appropriate guidance on developing biodiversity strategies that align with SBTN and these strategies include specific actions for biodiversity conservation through more sustainable sourcing.</p>
<p>International In-House Consultant Natural Capital Specialist</p>	<p>This function will lead on the natural capital and ecosystem services components of the project contributing to the following: Output 2.1.1: More FP companies use enhanced methodology, decision trees, and tools to map impact on biodiversity and land use change at different scales and results are used for prioritizing action for more sustainable supply chains. Output 2.2.1: Companies are supported, trained, and provided with appropriate guidance on developing biodiversity strategies that align with SBTN and these strategies include specific actions for biodiversity conservation through more sustainable sourcing.</p>
<p>International In-House Consultant Science Based Target Network Specialist</p>	<p>This function will be responsible for maintaining alignment of project with SBTN, including linking with SBTN working groups developing the SBTs for Nature framework, and ensuring that developments within Fashion Pact inform and are informed by related work in SBTN contributing to the following: Output 2.1.1: More FP companies use enhanced methodology, decision trees, and tools to map impact on biodiversity and land use change at different scales and results are used for prioritizing action for more sustainable supply chains. Output 2.1.2: A suite of deep dive analyses are conducted (based on agreed “materiality analyses” of key commodities/supply chains) highlighting potential impacts/risks of fashion sourcing/supply chains on biodiversity. Output 2.1.4: Scenario analyses completed using some key commodity/supply chains to map out possible results/outcomes for climate and biodiversity of different interventions by companies focused around improved sourcing of key raw materials. Output 2.2.2: Companies develop their own biodiversity approaches/strategies that align with SBTN framework and enable them to set science-based targets. Output 3.1.1: FP companies are supported and trained in sustainable sourcing actions that drive measurable outcomes for climate and biodiversity. Output 3.1.2: Commitments from FP companies to source and support sustainable cashmere with scenarios to show potential outcomes for climate, biodiversity, and livelihoods. Output 3.1.3: Fashion Pact companies engaged in the International Working Group of Leather Impact Accelerator and supporting the Impact Alliance that illustrates a market-led approach to driving sustainable beef/leather production systems.</p>

This function supports all spatial analysis for the following: **Output 2.1.1:** More FP companies use enhanced methodology, decision trees, and tools to map impact on biodiversity and land use change at different scales and results are used for prioritizing action for more sustainable supply chains. **Output 2.1.2:** A suite of deep dive analyses are conducted (based on agreed “materiality analyses” of key commodities/supply chains) highlighting potential impacts/risks of fashion sourcing/supply chains on biodiversity. **Output 2.1.4:** Scenario analyses completed using some key commodity/supply chains to map out possible results/outcomes for climate and biodiversity of different interventions by companies focused around improved sourcing of key raw materials. **Output 2.2.2:** Companies develop their own biodiversity approaches/strategies that align with SBTN framework and enable them to set science-based targets. **Output 3.1.1:** FP companies are supported and trained in sustainable sourcing actions that drive measurable outcomes for climate and biodiversity. **Output 3.1.2:** Commitments from FP companies to source and support sustainable cashmere with scenarios to show potential outcomes for climate, biodiversity, and livelihoods. **Output 3.1.3:** Fashion Pact companies engaged in the International Working Group of Leather Impact Accelerator and supporting the Impact Alliance that illustrates a market-led approach to driving sustainable beef/leather production systems.

International - In-House Consultant Spatial Analyst

This function is responsible for scientific integrity of the methodology, reports, and direction contributing to the following:

Output 2.1.1: More FP companies use enhanced methodology, decision trees, and tools to map impact on biodiversity and land use change at different scales and results are used for prioritizing action for more sustainable supply chains. **Output 2.1.2:** A suite of deep dive analyses are conducted (based on agreed “materiality analyses” of key commodities/supply chains) highlighting potential impacts/risks of fashion sourcing/supply chains on biodiversity. **Output 2.1.3:** Series of maps and analyses produced illustrating potential impact on biodiversity from sourcing by fashion companies for raw materials. **Output 2.1.4:** Scenario analyses completed using some key commodity/supply chains to map out possible results/outcomes for climate and biodiversity of different interventions by companies focused around improved sourcing of key raw materials.

Output 2.2.1: Companies are supported, trained, and provided with appropriate guidance on developing biodiversity strategies that align with SBTN and these strategies include specific actions for biodiversity conservation through more sustainable sourcing. **Output 2.2.2:** Companies develop their own biodiversity approaches/strategies that align with SBTN framework and enable them to set science-based targets. **Output 3.1.1:** FP companies are supported and trained in sustainable sourcing actions that drive measurable outcomes for climate and biodiversity. **Output 3.1.2:** Commitments from FP companies to source and support sustainable cashmere with scenarios to show potential outcomes for climate, biodiversity, and livelihoods. **Output 3.1.3:** Fashion Pact companies engaged in the International Working Group of Leather Impact Accelerator and supporting the Impact Alliance that illustrates a market-led approach to driving sustainable beef/leather production systems. **Output 3.1.4:** FP companies support investment-led and smart sourcing approaches that reinforce better practices and outcomes from artisanal mining (= eliminate mercury use).

International In-house Consultant- Technical Scientist

CI’s staff cost including Project Overall Lead, Project Finance and Grant Management, M&E Specialist should only be allowed to charge to project budget if GEFSEF approves for the dual role by CI.

This project is based on the concept note that was discussed with the GEFSEC. CI moved forward with 1-step MSP development after receiving the green light from the GEF Secretariat. The project concept was initiated through a close collaboration between Fashion Pact Association and Center of Sustainable Lands and Waters (CSLW). CSLW’s role is key to (1) provide technical support to go from science to business language in the different project components and (2) support the Fashion Pact Association (FPA) to strengthen a new institution that is key for the Fashion Pact agreement and commitments to be achieved. This project works, creates and promotes the enabling conditions required for a more ambitious intervention in the fashion sector through the FPA, but also with new financing opportunities that can link nature and fashion supply chains.

One needs to understand whether the co-financing portion of the PMC (\$190,000) is being used to cover the project's execution –If not, execution costs (i.e. project's staff) should be first charged to the co-financing portion of PMC before being charged to the GEF funds that cover the project components.

The co-financing portion of the PMC is contributing to strengthening the capacities of the Fashion Pact Association through establishing policies and guidelines in line with the CI policies and GEF Minimum Fiduciary Standards to accurately manage and report on the use of GEF funds during execution.

CI-GEF response to questions received on October 6th:

1) Core Indicators: CI GEF response: Given this project is foundational to support the Fashion Pact achieve their commitments, the core indicators cannot be attributed directly to the project because it depends on the work done with the fashion companies. Thus, the core indicators show the expected impact as a result of tracking the commitments that companies will have in land use change (CI 3, CI4), climate change mitigation (CI 6) and chemicals and waste (CI9). The project will help them achieve these commitments, in support of the Fashion Pact biodiversity pillar by fulfilling the enabling conditions and information gaps needed to achieve the targets. The way the project will report on the core indicators is based on the overall expected impact tracking the progress reports of companies through the Fashion Pact Association.

2) Financial statements audit removed from M&E table.

3) Totals added for M&E table in the portal and in the 1-step document attached. M&E total = 88,459

4)

a) ok

b) ok

c) CI GEF response: Project costs and co-financing will cover project execution. The \$190,000 co-financing for PMC is split between CI (US 60,000) and Fashion Pact (US 130,000). For CI, the co-financing will cover part of the time of the Project overall lead, project finance and grant management and communications and

workshop specialist. For the Fashion Pact, the co-financing will contribute to staff that will manage reporting and strengthening the capacities of the Fashion Pact Association through establishing policies, procedures and guidelines in line with the CI's policies and GEF Minimum Fiduciary Standards to accurately manage and report on the use of GEF funds during execution.

d) Please refer to the TORs included in Annex P of the attached 1-step approval document.

e) Please refer to response included in comment c.

CI-GEF response 10/23/2020:

Attached is the table with the detailed co-financing of PMC (US 190,000). PMC co-financing is covering costs of CI staff, and FPA staff as well as costs for the capacity strengthening of FPA to assure the ability to report and comply with the GEF Minimum Fiduciary standards. The table can also be found in Annex F of the portal and the 1-step document attached and can also be find below.

	Staff and Costs Related to PMC	PMC GEF Funds	PMC Co-financing Funds
CI	Staff- Project Overall Lead	\$ 76,040	\$ 10,000.00
	Staff- Project Finance & Grant Management	\$ 48,729	\$ 20,000.00
	International -In-House Consultant: Communications & Workshop Specialist	\$ 12,765	\$ 30,000.00
FPA	FPA Manager		\$ 20,000.00
	FPA Liaison with Brands		\$ 10,000.00
	Executive Director		\$ 50,000.00
	Legal		\$ 10,000.00
	Communications		\$ 20,000.00
	Knowledge Management Costs		\$ 10,000.00
	Accounting/Financial Systems		\$ 10,000.00
Summary		\$ 137,533	\$ 190,000.00

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 This is a one step MSP and PPG is being requested.

Agency Response

Calendar of expected reflows (if NGI is used)

Secretariat comment at CEO Endorsement Request

Agency Response

Project maps and coordinates

Secretariat comment at CEO Endorsement Request Will be determined in the initial stage of implementation during the selection of project sites.

Agency Response

Part III – Country and Agency Endorsements

1. 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?

Secretariat comment at CEO Endorsement Request N/A

Agency Response

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 CEO Endorsement Request

Agency Response

GEFSEC DECISION

1. RECOMMENDATION.

Is CEO endorsement/ approval recommended?

Secretariat comment at CEO Endorsement Request

Please respond to the review comments and upload the co- financing letters.

September 25, 2020 Please see comments from PPO to be addressed:

1. Financial statement audit cost is included in the M&E budget, should be under PMC – please remove it from PMC and charge it to M&E Plan.
2. The budget table template was cut and pasted to Annex F but there is no excel version uploaded in Portal, which is needed to review the detailed budget – please upload the excel version of the budget in the resubmission (please note that without this table it is not possible to provide a definitive assessment of the budget).
3. Total M&E budget in the budget table in Annex F is \$88,459 while similar M&E budget under Section 9. Monitoring and Evaluation totaled \$92,729.
4. For the budget table in annex F:
 - There are budget lines for sub-grants to IUCN, UNEP, and UNDP, however, these are GEF Implementing Agencies - it is not allowed to transfer GEF funds to GEF Agencies. If there is a need to for these Agencies to participate, they can act as co-implementing Agencies.
 - For the other organizations that would also receive sub-grants it is required to have a detailed explanation of the mechanism through which the Executing Entity selected these organizations, disburse the funds and manage the reflows (if appropriate);
 - Please clarify about “in-house consultants”: are these CI’s staff who will contribute/work as consultants for this project?
 - CI’s staff cost including Project Overall Lead, Project Finance and Grant Management, M&E Specialist should only be allowed to charge to project budget if GEFSEF approves for the dual role by CI.

- One needs to understand whether the co-financing portion of the PMC (\$190,000) is being used to cover the project’s execution –If not, executions costs (i.e. project’s staff) should be first charged to the co-financing portion of PMC before being charged to the GEF funds that cover the project components.

Oct 6, 2020 - please see comments not addressed in GEFSEC comments above.

Oct 13, 2020 - Please address the question on the PMC and core indicators.

October 23, 2020 - All comments are addressed and project is recommended for CEO approval.

Review Dates

1SMSP CEO Approval

Response to Secretariat comments

First Review	9/15/2020	
Additional Review (as necessary)	9/15/2020	
Additional Review (as necessary)	9/25/2020	
Additional Review (as necessary)	9/29/2020	
Additional Review (as necessary)	10/7/2020	

CEO Recommendation

Brief reasoning for CEO Recommendations

Fashion - clothing, leather, and footwear - is a booming industry that, prior to the coronavirus (COVID-19) global pandemic, was estimated to generate an estimated \$1.5 trillion in 2020. While fashion is often associated with glamor and panache, the industry also has a substantial environmental impact. The fashion industry - driven by consumption – has been expanding and exacerbating these negative environmental impacts.

At the G7 Summit in August 2019, 32 companies in the fashion sector signed the Fashion Pact, a pledge to work together to address three pillars of focus: climate change, biodiversity, and oceans. Since then, more than 30 additional companies have joined, bringing the total number of brands represented to approximately 260. Thirty five percent of the fashion sector (by volume) has signed up to act under commitments in the Fashion Pact is a clear indication that the sector is positioned to take a leadership role in transforming its business practices to drive positive environmental and social outcomes.

The Fashion Pact is a direct result of French President, Emmanuel Macron, catalyzing corporate efforts to engage on key environmental challenges and to build on the Paris Climate Agreement, in the lead up to the G7. Not coincidentally, the release of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) report in May 2019, along with other warnings about the critical state of nature, created both a sense of urgency and recognition of the important role of the private sector in co-creating solutions to the “climate and nature crises.”

The Fashion Pact also builds on an increasing awareness and understanding of the sector’s environmental impacts. For instance, the United Nations Environment Programme (UNEP) reported in 2018 that the fashion industry produces 20% of global wastewater and 10% of global carbon emissions — more than all international flights and maritime shipping.

The power of engaging the fashion sector in addressing environmental challenges should not be underestimated. There is an emerging awareness of the fashion sectors’ impacts on water and climate, but the industry has also increased its focus on building a circular economy, reducing hazardous chemicals, and enabling resilient livelihoods. The Fashion Pact has elevated the sector’s enthusiasm and commitment to mitigating impacts on climate and oceans while helping “bend the curve” of biodiversity loss. Fashion trends shift rapidly, and adaptive management is part of the fashion industry DNA. As such, the sector is pre-disposed to be able to act quickly, grasp its dependency on nature, and develop a powerful narrative that can catalyze awareness and change among consumers and society more broadly.

This project, Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate and Oceans, will be jointly executed by the Fashion Pact Association and Conservation International’s Center for Sustainable Lands & Water. Activities will be undertaken through four project components:

Component 1 will provide the fashion industry with a foundational understanding of environmental impacts across fashion supply chains with a focus raw material production and extraction.

Component 2 will facilitate the development of company specific science-based analysis that will enable companies to develop their own action plans and strategies. The mapping of environmental impacts across supply chains (Component 1) will form the basis for prioritizing actions to address the key inter-related issues of negative environmental impacts and climate change.

Component 3 will identify on-the-ground projects that can showcase a collective action fashion industry approach to leveraging positive environmental outcomes through transformed supply chain/sourcing.

Component 4 will focus on establishing the structure, staffing and tools required to institute the Fashion Pact Association so that it can be widely recognized by the industry and environmental entities as the lead organization for establishing, taking action, and documenting and publishing progress on the fashion industry's environmental metrics.

Component 5 will focus on monitoring and evaluation of the project

The project will provide the critical information and analysis across the fashion sector to enable future initiatives and programs to engage with the sector to drive positive outcomes across chemical management, land use change, climate change and biodiversity conservation and achieve global environmental benefits for Climate, Chemicals and Biodiversity. The sector and sub-sector analyses of supply chain impacts - never before conducted with such a range of science-based tools - will provide the 'direction of travel' for the sector while also highlighting priorities within and outside the sector for future work. During the project, expert analyses and company engagement will provide the framing to inform GEF 8 programming, identifying key focal areas for action that will catalyze the sector to become partners and collaborators in potential GEF 8 programs or projects for a range of outcomes across various GEF objectives.