Early Warning System

IFC-48558

Decarbonization of Textile Apparel and Footwear Suppliers Fund

Early Warning System

Decarbonization of Textile Apparel and Footwear Suppliers Fund

IFC-48558

Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-06-30
Borrower	Decarbonization of Textile, Apparel & Footwear Suppliers Fund B.V.
Sectors	Climate and Environment, Energy, Finance, Industry and Trade, Technical Cooperation
Investment Type(s)	Equity
Investment Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 250.00 million

Project Description

As stated by the IFC, D-TAFS is a global structured debt initiative targeting 250 million, scalable to 400 million, to finance energy efficiency, renewable energy, water conservation, and pollution reduction projects in the textile, apparel, and footwear supply chain, particularly in emerging markets across South/Southeast Asia, Africa, MENA, and Latin America. Conceived by IFC and managed by SIMA, the Fund aims to bridge the financing gap for SMEs and is expected to support around 60-80 borrowers, generating jobs, environmental benefits, and climate resilience. It will have two sub-funds: Direct Investments to TAF Suppliers (50–70% of total size) and Energy Provider Investments to TAF customers (30–50%), each with four tranches: Super Senior, Senior, Junior, and Catalytic. Key investors for the first close in May 2026 include IFC, BII, FMO, Proparco, Metlife, Inditex, GEF, and the Apparel Impact Institute, with structured subordination to support risk allocation.

This advisory initiative is a technical assistance program designed to de-risk the D-TAFS Fund's portfolio by driving environmental sustainability and gender equity among Textile, Apparel, and Footwear (TAF) suppliers in emerging markets. The TA program will also build upon DTAFS lending engagements to address key market barriers and increase impact. To address the industry's heavy carbon footprint, reliance on hazardous chemicals, and lack of supplier capacity, the project implements five core components: reducing hazardous chemicals through a Preferred Chemical List, providing capacity building for resource efficiency, piloting innovative Next-Gen cooling technologies, and integrating frameworks to advance female workers into managerial roles. Ultimately, by combining direct factory-level interventions with rigorous knowledge management and market level interventions, the project aims to overcome non-financial barriers to decarbonization, ensure suppliers meet rigorous environmental standards, and spur industry-wide replication of these sustainable practices.

Investment Description

- International Finance Corporation (IFC)

As stated on the project disclosure page, IFC will anchor the 10-year Fund with an investment of up to US$60 million (up to 30% of the Fund at first close, to be diluted to in subsequent closings), allocated between the DI Sub-Fund and EPI Sub-Fund. IFC will invest in the Senior and Super Senior tranches for both Sub-funds.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Social Investment Managers and Advisors LLC (Financial Intermediary)

Private Actors Description

As stated by the IFC, Social Investment Managers and Advisors (SIMA) was founded in 2015 by Asad Mahmood and Michael Rauenhorst, who have a history of investing US$2.3 billion through 18 funds in more than 50 countries before founding SIMA. The Asset Manager (“AM”) is registered with the SEC. SIMA has closed 4 impact funds focused on small renewable energy projects with a total size of $335m+, serving 130+ borrowers across 23 countries. SIMA comprises 60+ employees spread across 7 countries and has put together a strong team dedicated to managing the Fund, including building a pipeline of TAF Suppliers, maintaining relationships with brand partners, and structuring, executing and monitoring transactions.

Contact Information

Financial Intermediary - Social Investment Managers & Advisors:

Asad Mahmood - CEO
Phone: +1 732 713 4731
Email: asad@simafunds.com
Website: www.Simafunds.com

General IFC Inquiries - IFC Communications:

Address: 2121 Pennsylvania Avenue, NW, Washington DC 20433
Telephone: +1 202-473-3800
Fax: +1 202-974-4384

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org