

Circular solutions to plastic pollution in South Africa

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11196

Countries

South Africa

Project Name

Circular solutions to plastic pollution in South Africa

Agencies

UNIDO

Date received by PM

6/25/2024

Review completed by PM

11/15/2024

Program Manager

Evelyn Swain

Focal Area

Multi Focal Area

Project Type

FSP

CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

Please correct the region.

Please remove the project sector. That is for CCM only.

What is "World Wide Fund for Nature South Africa (WWF SA)" do you mean World Wildlife Fund?

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

- We can not correct the region. We kindly request GEF IT support to correct it from the backend.
- The Sector is removed.
- Globally all WWF offices are "World Wide Fund for Nature" with the country or regional name thereafter. Only WWF in the USA is called World Wildlife Fund.

b) Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat comment at CEO Endorsement Request

Yes.

Agency ResponseN.A

2. Project Summary.

- a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?
- b) Does the summary capture the essence of the project and is it within the max. of 250 words?
- c) [If a child project under a program] Does the project summary include adequate and substantive link with the parent program goal and approach?

Secretariat comment at CEO Endorsement Request

The summary captures problems and objectives, but the project strategies to achieve this should be more clearly described. The summary is significantly above the word limit. Please shorten.

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

- Addressed. The project strategies have been included and the section shortened.

3. Project Description Overview

- a) Is the project objective statement concise, clear and measurable?
- b) [If a child project under a program] Is there a project Theory of Change that is aligned and consistent with the overall program goal and approach?
- c) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?
- d) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?
- e) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?
- f) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat comment at CEO Endorsement Request

PMC is above 5% (5.72%). Please provide a clearer rationale for the justification or revise the PMC. Agency provided as justification ?The PMC amount is slightly higher than the recommended 5%, the established PMC cost is essential to meet the administrative and recruitment costs of the project.? One could expect that with the co-financing contribution to PMC (around US\$ 4 million) and the composition of the cofinancing (several grants), these costs could be covered. Please adjust the PMC to 5%.

The M&E cost is high, representing 4.7% of the total GEF Financing: GEF guidelines recommends the average cost of 3% for projects whose budget is between USD 5 to USD 10 million. Please ask the Agency to revise.

ES, 11/12/24: PMC is still at 5.72%. The response in noted but provide little justification for why an exception is needed. Please adjust PMC to maximum of 5%.

ES, 11/15/24: Comment addressed.

Agency Response

Nov.15, 2024

The budget is adjusted, PMC is now 5%. The portal is updated.

2/10/24

-The total project cost is \$6,833,638 as per the finalized budget ([National Budget.xlsx](#)).

- In accordance with GEF OFP recommendation, the project will engage WWF SA as the executing entity. The selection was based on the expertise and track record of policy advisory and network with the private sector and technical support to SA Plastic Pact. The organization usually charges their project management fee by % to cover the indirect organizational overheads to support the project execution and the WWF network fee to provide project management oversight and quality assurance. Indirect cost examples would be performance appraisals, recruitment, payroll preparation, IT help desk, CEO corporate engagement in key meetings, accounting team paying invoices, claim forms and salaries, oversight of risk management, oversight of income and disbursement contracts etc. Despite the effort to quantify the indirect overheads and calculate these indirect costs as direct costs and place them to project output activities where applicable and feasible, there are certain items which can not be charged to each output activities. It is the budget \$341,686. Additionally, the external auditing cost \$28,000 to ensure the proper and responsible use of project funds, guaranteeing transparency and accuracy in financial reporting, which is the outside of the WWF SA's indirect cost and needs to be placed under the PMC. - M&E Monitoring activity will be conducted by the WWF SA by engaging a dedicating monitoring specialist. The budget for 5 years is USD222,665, which is 3.26% of the GEF project financing. Considering South Africa's human resource cost and the project duration of 5 years as well as the fact that the project activities might cover a whole nation depending on private sector's pilot demonstration, it is an appropriate amount. Mid-term and terminal evaluation will be conducted by UNIDO. It is allocated 40,000USD respectively. The budget of 40,000 USD for one evaluation exercise is reasonable because we opted to engage national evaluation experts, which allows us to keep costs lower.

4. Project Outline

A. Project Rationale

- a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?**
- b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?**
- c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?**

Secretariat comment at CEO Endorsement Request

This project demonstrated a solid and joined up value chain approach in the component 3.

There is a significant increase in private sector co-finance from the PIF state to the CEO endorsement with a wider range of contributors from \$26 million to \$76 million. While the names of the contributors remain confidential, we would welcome advice on the sectors and opportunities which could be supported or leveraged.

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

The project builds on the initiatives and projects that have been implemented in South Africa. The outcomes of these projects have formed the groundwork for the Child project and many of these entities will be working closely with the GEF national project team. Using the existing projects? and initiatives? outcomes and working with these entities on future activities in the national project will create more meaningful impact which is aligned with national priorities and the GEF8 Global programming direction.

Moreover, the Child project will engage private sector in the food and beverage sector and related value chain actors for the implementation of strategic circular interventions upstream and midstream in the plastic packaging value chain in the food and beverage sector in South Africa.

The industry component of the project aims to promote uptake and support implementation of circular solutions for plastic packaging and short-lived products in the food and beverage sector. This component will build upon existing and new initiatives within the SA Plastics Pact to reduce the virgin plastic inputs in plastic packaging, increase circulation through design to enable recycling, increase circulation through reuse, and reduce leakage of the most highly leaked plastic items and packaging in the food and beverage sector in South Africa.

While the companies requested their name is treated as confidential, the private sector co-financing contributors are mostly from the industry members of the Plastic Pact and their participation will strengthen advancing the circular solution by investing to increase recycling capacity, at the same time, the GEF child project will contribute to strengthen enabling market for recycled material and products and reuse.

The industry co-financing letters were sourced from SA Plastics Pact members: 1 converter/recycler, 2 retailers, 2 recyclers and 1 producer responsibility organization (PRO).

In terms of opportunities:

? The converter/recycler and 2 recyclers are currently or planning to produce food-grade recyclate to support the growing demand for recycled content in food contact applications ? all 3 are active contributors in the SA Plastics Pact, and commit to remaining active in the GEF-8 project. One of the recyclers has commenced initial testing on food grade HDPE, and plans to further testing of recyclate into food grade multilayer formats (with recyclate included in an inner layer).

? The 2 retailers are working with the SA Plastics Pact Secretariat and will continue to do so under the Child project, in the following activities: phasing out problematic and unnecessary plastics,

moving poorly recycled packaging into more recyclable formats, increasing recycled content in their packaging, as well as working on reuse models for their businesses.

? The PRO is active in the SA Plastics Pact and partners in design for circularity discussions, consumer and industry education, as well as supporting recyclers and brand owners to increase the inclusion of recycled content in food-grade packaging. These activities will continue in the GEF8 Child project.

5 B. Project Description

5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?

b) [If a child project under a program] Is the Theory of change aligned with and consistent with the overall program goal and approach?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region? [If a child project under a program] Does the description include how the alternative aligns with and contributes to the overall program goal and approach?

d) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?

e) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?

f) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?

g) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?

h) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?

i) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?

j) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?

k) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

l) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?

m) Transformation and/or innovation: Is the project going to be transformative or innovative? [If a child project under an integrated program] Are the specific levers of transformation identified and described? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

Component 1 and its outputs need to be more specific to ensure that the project creates impact within its timeframe. Table 1 lists policies, regulations, etc. Which of these will the project targeted, and what level of change is reasonable to expect? How will the gaps identified be addressed, and prioritized?

The gender context is described in more detail in the stand-alone section B.5, but the project description and its components should be better integrating gender consideration and translating the contextual challenges into specific activities. Especially under component 3, there is potential to include women and female-led businesses more explicitly. The Agency could integrate some of the actions in the GAP into the following: i) Outputs 3.1.1, 3.1.4, to ensure that the financial mechanisms are gender-responsive; ii) Outputs 3.1.3, to ensure meaningful participation of women and women-led businesses in platforms and decision-making processes; iii) Outputs 3.1.5 and 3.1.6, to ensure that capacity-building, training and pilot programs actively target women and women-led businesses. During project implementation, the PIRs, the MTE and the TE should include a review and reporting of the GAP and relevant gender dimensions of the project.

As a general comment, the Project Description is much longer than expected (far beyond the recommended 3-5 pages). Please shorten. The individual sections at the end, especially B6-B8, could be removed as these aspects are already captured in the integrated narrative.

Component 5 needs to improve coordination with the global project. Please coordinate with the lead agencies and use the google doc checklist.

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

- Table 1 has been reworked in the CEO document to reflect planned policy interventions on existing and identified new policy to address gaps in scaling circular plastic packaging in the food and beverage sector. This table also now aligns with the Results Framework.

- Gender mainstreaming and considerations are now explicitly included in all sub-sections of section B. The Results Framework and M&E workplan has also been updated to align with the CEO document regards gender mainstreaming.

- To shorten the project description's part, Subsections B6 ? B8 have been removed and B4-5 have been reduced. The numbering is adjusted. Some text and spacing has been removed.

- The wording from the Global Project has been incorporated into Component 5, specifically Output 5.1.2 and the M&E section in the CEO document. The M&E Workplan has also been updated with

the required wording. ToRs for project team to be reviewed to include attendance and contributions to GP events.

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

- a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?**
- b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?**
- c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).**
- d) [If a child project under an integrated program] Does the framework for coordination and collaboration demonstrate consistency with overall ambition of the program for transformative change?**

Secretariat comment at CEO Endorsement Request

What is ?World Wide Fund for Nature South Africa (WWF South Africa)? is this World Wildlife Fund?

The GEF-6 Sustainable Cities Integrated Approach Pilot has a child project implemented by DBSA/UNEP, which focuses on decentralized Eco-districts (?Corridors of Freedom?) in Johannesburg. Interventions include management of biobased waste for potential circularity approaches. Are there any learnings that the Plastics IP can make use of? (Technical or institutional)

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

- Globally all WWF offices are "World Wide Fund for Nature" with the country or regional name thereafter. Only WWF in the USA is called World Wildlife Fund.

- The GEF-6 project does not seem to have relevance to this project, as it focuses on the production of biogas from biowaste. Since this Child project does not work on waste management, lessons learned would probably not so relevant as well. There was UNIDO project funded by the Government of Japan to assess feasibility of biodegradable material as an alternative to single-use plastic, such as bagasse biodegradable polymer composites, and stakeholder feedback emphasized that promoting biodegradable materials is not suitable for South Africa's context unless end-of-life processing facilities for biowaste become more widespread.

5.3 Core indicators

- a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)? [If a child project under a program] Is the choice of core indicators consistent with those prioritized under the parent program?
- b) Are the project's targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable? Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat comment at CEO Endorsement Request

The targets for Core Indicators 6 and 9.8 are ca 80% lower than in the PFD. Please explain the reason for this. The duration of accounting has been decreased from 10 to 5 years, please provide a rationale for this. Note that for GHG emissions reduction, a longer timeframe beyond project duration can be considered. 10 years at CEO endorsement is appropriate.

Equally, for Core Indicator 10 on POPs the target is significantly lower than in the PFD (1.55 vs 8.00). Please provide justification.

No targets are included under Core Indicator 5 on marine habitats under improved management. Given the project description, the project may be able contribute to this indicator. Please review and add target if relevant.

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

It has been updated in the CEO Doc/ the portal by adjusting the calculations with 10 years.

Still there is lower than the PFD target. Below is the justifications.

In the PFD, different reference points/values were used to what was interpreted in the PPG as follows:

1) Core indicator 9.8 Total avoided residual plastic waste across the project lifetime in PFD 151 471 vs. PPG 30?301.6 metric tonnes.

Amount of plastic waste generated in country: For PFD the figure 1?640?324 metric tonnes was referenced from a global database whilst in the PPG actual in country value were used which were slightly lower at 1?546?000 metric tonnes.

Percent of plastic packaging contributed from the food and beverage sector: in the PFD this was estimated at 60% based on a misinterpretation of the statement "the global food and beverage sector contributes an estimated 40% of all plastic packaging?". This figure was updated to 49% which is the

ration for South Africa. This resulted in a lower amount for the weight of plastic contributed by the food and beverage sector to plastic generation annually: PFD 984 195 vs. PPG 757 540 metric tonnes.

Average percent of food and beverage sector's plastic waste generation that your project will eliminate over the lifetime of the project: in the PFD, the ratio of the economic contribution of the food and beverage plastic packaging sector (\$180 million) to the economic value of this project (\$7.45 million) was used as the proxy which was 2.43%. In the PPG phase it was clear that this % referred to the estimated reuse rates of plastic packaging in the sector that could be achieved post the implementation phase. Project partners agreed on 1%.

Recycling rate for plastic waste: in the PFD a rate of 30% was used which is the average rate for all plastic applications. In the PPG the recycling rate of 20% was used which is the case for plastic packaging in the food and beverage sector only.

Duration of project: in the PFD a project duration of 10 years was used which was changed to 5 years in the PPG phase calculation. This has been rectified and 10 years is now used for the PPG GEB updates.

With the update made to the variable 'Duration of the project' from 5 to 10 years this value now increases to 60 603.2 metric tonnes.

2) Core Indicator 6.7 Total estimated Greenhouse Gas Emissions avoided across the project lifetime: in PFD 1 685 728 vs PPG 324 378.63 metric tonnes.

The higher estimated volume of virgin plastic reduced across the project lifetime in the PFD (core indicator 9.8) translated to the higher GHG emissions mitigated compared the PPG phase. No other variables changed between the PFD and PPG phases.

With the update made to the variable 'Duration of the project' from 5 to 10 years this value now increases to 648 757.26 metric tonnes.

The higher volume of avoided residual plastic waste across the project lifetime in the PFD of 157 471 metric tonnes described in Core Indicator 9.8 resulted in the higher POP value of 8 g TEQ compared to the PPG phase. All other variables remained the same.

With the update made to the variable 'Duration of the project' from 5 to 10 years this value now increases to 3.09 g TEQ.

- There is no contribution to this GEB (CI5. Area of marine habitat under improved practices to benefit biodiversity (hectares; excluding protected areas)) as there are no activities within the project at a local level i.e. project activities at a municipality level, which covers 'Areas'

5.4 Risks

- a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any omission?
- b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?
- c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat comment at CEO Endorsement Request

Under the Overall Risk category, please provide a summary that helps understand the identified rating.

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

It has been updated in the CEO document with following explanation: Overall risk rating of the project is ?Low? considering the ratings for categories within the ?Context?, ?Innovation? and ?Execution? areas. Slightly higher risks are identified in the political and institutional and finance categories, even after implementation of mitigation measures, due to developments in these categories being outside the project control. However, continuous monitoring and engagement by the project within these areas would be undertaken.

5.5 For NGI Only: Is there a justification of the financial structure and of the use of financial instrument with concessionality levels?

Secretariat comment at CEO Endorsement Request

NA.

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

- 6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCE/SCCF strategy?
- b) [If a child project under an integrated program] Is the project adequately aligned with the program objective in the GEF-8 programming directions?

Secretariat comment at CEO Endorsement Request

NA.

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors).

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat comment at CEO Endorsement Request

Please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to.

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

It has been updated in the CEO doc/ the portal with below target.

Target 7: Reduce Pollution to Levels That Are Not Harmful to Biodiversity. This project supports the target to reduce pollution risks and the negative impact of pollution from all sources by 2030, to levels that are not harmful to biodiversity and ecosystem functions and services, considering cumulative effects, including preventing, reducing, and working towards eliminating plastic pollution.

Target 16: Enable Sustainable Consumption Choices To Reduce Waste and Overconsumption.

The project would enable sustainable consumption choices, through changing the default of only linear plastic packaging placed on the market in the food and beverage sector. This would be done through supporting the formulation of policy, legislative or regulatory frameworks, engaging with industry to drive the shift together with appropriate finance and improving education and access to relevant and accurate information and alternatives for industry and government stakeholders. These project outcomes would contribute to reducing over consumption of plastic packaging and overall plastic waste generation.

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request

We understand that UNIDO attached the ESMP (Annex F). The ESMP said that "[t]he project has been categorized as Category B <equivalent to moderate risk> as per UNIDO's Environmental and Social Safeguards Policies and Procedures (ESSPP)". UNIDO Environmental and Social Screening Template also said that the overall ESS risk is Category B <equivalent to moderate risk>. However, the environmental and social risk section of the Key risk table in the Portal is low and the project's overall ESS risk classification is low in the Portal. Please make this risk consistent with ESMP and screening document and revise.

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

The environmental and social risk section of the Key risk table in the Portal is kept as "low" since all the necessary mitigation measures are planned in the submitted ESMP to ensure the appropriate risk management.

According to the new guidance on the risk table, it is understood that the risk should be indicated as the one after the mitigation measures are taken (residual risk), hence the ESS risk in the key risk table is marked as "low".

8 Annexes

Annex A: Financing Tables

8.1 GEF Financing Table and Focal Area Elements: Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

STAR allocation?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

Focal Area allocation?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement RequestNA

Agency ResponseN.A.

SCCF A (SIDS)?

Secretariat comment at CEO Endorsement RequestNA

Agency ResponseN.A.

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat comment at CEO Endorsement RequestNA

Agency ResponseN.A.

Focal Area Set Aside?

Secretariat comment at CEO Endorsement RequestNA

Agency ResponseN.A.

8.2 Project Preparation Grant (PPG)

a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement Request

On the status of utilization of PPG: the amounts do not add up for each category. [Budgeted amount] = [Amount Spent To Date] + [Amount Committed]. Additionally, please use the eligible categories included in the Guidelines (now the lines are very aggregate). Please request the agency to amend.

ES, 11/15/24: Comment addressed.

Agency Response

2/10/24

Updated in the portal.

8.3 Source of Funds

Does the sources of funds table match with the amounts in the OFP's LOE?

Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement Request Yes.

Agency Response N.A.

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

There is a good mix of co-financing including from the private sector.

Industry 5 is missing the co-financing amount. Please update this.

ES, 11/12/24: For Industry 5 if no indicative amount can be confirmed at this stage, please remove this entry from list as it otherwise looks like a mistake, and it doesn't add to the total co-financing amount. You can add this opportunity for future funding to the description below the table.

- a. No co-financing letter has been submitted for the South African Department of Environment, Forestry, and Fisheries' in-kind contribution of USD 1 million. Please provide this document.
- b. Please update the names of co-financers currently labeled as Industry # (Confidential) according to the co-financing letters, if possible.
- c. The following five entries?USD 555,000 from CSIR, USD 72,599 from the Technology Innovation Agency, USD 580,000 from The DSI through CISA (currently misidentified as ?Confidential?), USD 360,000 from ACEN, and USD 120,000 from Industry 4?do not appear to be directly related to co-financing for the GEF project. Instead, these seem to be separate projects in the circular economy field led by these entities, with some projects having started much earlier than the GEF project and nearing completion. Please confirm the connection between these projects and the GEF project, and clarify in Annex A's co-financing description field.
- d. There is a discrepancy between the co-financing letter and the GEF Portal for Industry 1-1 and Industry 1-2. The letter indicates USD 35 million in-kind, while the Portal lists USD 15.75 million in-kind and USD 19.25 million in grants. Please review and ensure consistency, providing an estimated breakdown if necessary.

ES, 11/12/24: Not addressed. For the purpose of the GEF co-financing letter, please use the definitions outlined in GEF's Policy on Co-financing. Please revise either co-financing letter or Portal entry to ensure consistency.

e. The grant of USD 15 million from Industry 3-2 does not seem to co-finance the GEF project in the form of a grant but rather indicates the company's manufacturing capabilities. Please review and revise the co-financing amount and its nature if needed.

ES, 11/12/24: Not addressed. Please revise co-financing amounts to reflect what is clearly contributing to the GEF child project under the Plastics IP. Please be reminded that, for GEF projects, Co-Financing means financing that is additional to GEF Project Financing, and that supports the implementation of a GEF-financed project or program and the achievement of its objective(s). Lastly, a Bottle -to-Bottle plant would presumably focus on recycling and it is unclear how this will bring insights to the mentioned guidance document that the GEF project will develop.

f. No co-financing amount is confirmed in the GEF Portal or the letter. Please document this in the main body of the form where applicable or in Annex A's co-financing description section; and provide the co-financing materialization information once finalized during the implementation stage.

g. The co-financing amount/type of USD 270,500 from Industry 6-2 does not match the co-financing letter, which indicates USD 276,500 (USD 266,000 + USD 10,500) for equity (not grant). Additionally, the in-kind contribution of USD 187,000 lacks details on its usage or nature (e.g., wages, facilities for the project). Please provide this information.

h. Overall, the connection between the co-financing contributions and the GEF project is somewhat unclear. Please review and clarify the linkage, addressing the specific comments above.

ES, 11/15/24: Comments addressed.

Agency Response

Nov.15, 2024

Industry 5 is deleted. Industry 1 (comment d) and Industry 3 (comment e) is adjusted the category and amount. The total co-financing amount is updated in the portal.

2/10/24

- Re: Industry 5's amount: Although the company is willing to cooperate with the project, the amount can not be confirmed at this stage, and it will be clarified during the implementation. This will be documented in Annex A's description.

a. financing letter from DFFE: uploaded in the portal.

b. confidentiality: It was strictly requested to make them confidential. Since the CEO document is a public document, the company names can not be mentioned there, however, the letters indicate the co-financer's name.

c. connection to the project: It is true that those are separate projects in the circular economy field led by those entities, however, the outcomes of these projects form the groundwork for the national project and these entities will be working closely with the GEF national project team. Using the existing project outcomes and working with these entities on future activities in the national project will create more meaningful impact which is aligned with national priorities and the GEF8 Global programming direction. The texts to clarify the connection between these projects and the GEF project are provided in Annex A's co-financing description field.

d. Industry 1 co-financing: The word "in-kind" mentioned in the letter is used in a different definition from the GEF terminology. Industry 1 is a Producer Responsibility Organization (PRO). The calculated co-financing amount includes salaries, technical contribution, operation cost, and capital investment cost to improve collection, sorting, aggregation, and recycling. UNIDO clarified with them after receiving the letter and it was confirmed that 19.25 million will be used for the investment and the rest is for in-kind recurrent expenditures. In order to make clear distinction between in-kind and investment mobilized as per the GEF terminology, the amount is separated in the table. Their participation in the project would contribute to increasing the available recycled material and strengthening its marketability.

e. Industry 3: It is confirmed that USD 15million will be invested to expand the capacity of bottle-to-bottle plant in South Africa after clarification with the company, which is in line with the Child project activities, in particular, to improve circularity or circular design. As a Plastic Pact member, it is expected their practices will demonstrate economic viability and contribute some insight to a guidance document to be developed by the project.

f. Industry5: The company (Industry 5) committed their participation to the project, however, it was not able to quantify the co-financing amount at this moment. It will be shaped during the implementation. This will be documented in Annex A's description.

g. Industry 6: Thank you for spotting the error. The figure is corrected and reflected. For in-kind contribution, it consists of salaries, technical expertise to be contributed to the project, and their operation costs for the staff for the project duration.

h. Overall: It has been updated in the CEO doc/ portal as:

The project builds on the initiatives and projects that have been implemented in South Africa. The outcomes of these projects have formed the groundwork for the Child project and many of these entities will be working closely with the GEF national project team. Using the existing projects' and initiatives' outcomes and working with these entities on future activities in the national project will create more meaningful impact which is aligned with national priorities and the GEF8 Global programming direction. Moreover, the Child project will engage private sector in the food and beverage sector and related value chain actors for the implementation of strategic circular interventions upstream and midstream in the plastic packaging value chain in the food and beverage sector in South Africa. The industry component of the project aims to promote uptake and support implementation of circular solutions for plastic packaging and short-lived products in the food and beverage sector. This component will build upon existing and new initiatives within the SA Plastics Pact to reduce the virgin plastic inputs in plastic packaging, increase circulation through design to enable recycling, increase circulation through reuse, and reduce leakage of the most highly leaked plastic items and packaging in the food and beverage sector in South Africa. While the companies requested their name is treated as confidential, the private sector co-financing contributors are mostly from the industry members of the Plastic Pact and their participation will strengthen advancing the circular solution by investing to increase recycling capacity, at the same time, the GEF child project will contribute to strengthen enabling market for recycled material and products and reuse. The industry co-financing letters were sourced from SA Plastics Pact members: 1 converter/recycler, 2 retailers, 2 recyclers and 1 producer responsibility organization (PRO). In terms of opportunities: ? The converter/recycler and 2 recyclers are currently or planning to produce food-grade recyclate to support the growing demand for recycled content in food contact applications ? all 3 are active contributors in the SA Plastics Pact, and commit to remaining active in the GEF-8 project. One of the recyclers has commenced initial testing on food grade HDPE, and plans to further testing of recyclate into food grade multilayer formats (with recyclate included in an inner layer). ? The 2 retailers are working with the SA Plastics Pact Secretariat and will continue to do so under the Child project, in the following activities: phasing out problematic and unnecessary plastics, moving poorly recycled packaging into more recyclable formats, increasing recycled content in their packaging, as well as working on reuse models for their businesses. ? The PRO is active in the SA Plastics Pact and partners in design for circularity discussions, consumer and industry education, as well as supporting recyclers and brand owners to increase the inclusion of recycled content in food-grade packaging. These activities will continue in the GEF8 Child project.

Annex B: Endorsements

8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:

Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement Request Yes.

Agency Response N.A.

b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

c) Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

Annex C: Project Results Framework

8.6 a) Have the GEF core indicators been included?

b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)

c) Are all relevant indicators sex disaggregated?

d) Is the Project Results Framework included in the Project Document pasted in the Template?

e)[If a regional/global coordination child project under an integrated program] Does the results framework reflect the program-wide result framework, inclusive of results from child projects and specific to the regional/global coordination child project? [If a country child project under an integrated program] Is the child project result framework inclusive of program-wide metrics monitored across child project by the Regional/Global Child project?

Secretariat comment at CEO Endorsement Request

It is not possible to read the project results framework because it is cut off. Please re load this.

Targets are included.

The table in the CEO Endorsement Portal view (which is the document that is circulated and webposted) is off the margins ? please ask the Agency to amend (In case of need for assistance, please instruct the agency to contact ITS at the email ITSOP_GEF_Portal_technical_team@worldbankgroup.org).

ES, 11/12/24: Comments addressed.

Agency Response

2/10/24

Corrected with the updated results framework.

Annex E: Project map and coordinates

8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement Request

Map is missing. Please add.

ES, 11/12/24: Comments addressed.

Agency ResponseUpdated.

Annex F: Environmental and Social Safeguards Documentation and Rating

8.8 Have the relevant safeguard documents been uploaded to the GEF Portal? Has the safeguards rating been provided and filled out in the ER field below the risk table?

Secretariat comment at CEO Endorsement RequestYes.

Agency ResponseN.A.

Annex G: GEF Budget template

8.9 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?

b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?

c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

The table presented in the Portal view (which is the document that is circulated and webposted) is not clear. Additionally, there are two budget tables. We request the agency to use the template provided in the Guidelines on the Project Cycle and present only the details on the activities implemented. We will review the budget once it is uploaded in the section ANNEX G: BUDGET TABLE in a readable format and provide comments as appropriate.

ES, 11/12/24: Partly addressed. There are still two budget tables uploaded in the CEO Endorsement document. Please remove one of them to avoid confusion.

ES, 11/18/24: Please address the following comments:

a. Personnel costs are extremely high representing 91% of the total project budget. Please request the agency to reduce personnel costs significantly.

b. Please eliminate any overlap between management and administrative roles under the Project Personal Component section in the budget.

c. Please request the agency to charge management and administration personnel costs to the PMC.

d. A ?National Project Manager? is being charged 100% to project components. According to the TOR provided 65% of the responsibilities described reflect those of managerial nature. Per

Guidelines, the costs associated with the project's management and execution must be covered by the GEF portion and the co-financing portion allocated to PMC.

e. "Other staff" is not a valid category it should be removed.

f. Provide details about the cost assigned to equipment.

g. "Operating costs" must be charged to PMC, not to project components.

h. Request the agencies to provide details on what "Other" costs entails. Otherwise, this is not a valid category, and it should be removed.

ES, 11/20/24: Comments addressed.

Agency Response

Nov 20, 2024

Budget table has been updated to address all comments and has been re-uploaded.

Nov. 15, 2024.

Budget table updated and uploaded only one.

2/10/24

Corrected.

Annex H: NGI Relevant Annexes

8.10 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.

b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.

c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement RequestNA

Agency ResponseN.A.

Additional Annexes

9. GEFSEC DECISION

9.1.GEFSEC Recommendation

Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

Not at this time. Some issues remain.

ES, 11/12/24: Not at this time. Some issues remain.

ES, 11/18/24: Not at this time. There are some comments on budget.

ES, 11/20/24: Comments addressed. CEO Endorsement is recommended.

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement Request

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	8/16/2024	
Additional Review (as necessary)	11/12/2024	
Additional Review (as necessary)	11/15/2024	
Additional Review (as necessary)	11/18/2024	
Additional Review (as necessary)	11/20/2024	