

# GEF-8 REQUEST FOR CEO CHILD ENDORSEMENT/APPROVAL

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## General Child Project Information

Child Project Title

Circular solutions to plastic pollution

Region	GEF Project ID
Costa Rica	11186
Country(ies)	Type of Project
Costa Rica	FSP
GEF Agency(ies)	GEF Agency Project ID
UNDP	
Project Executing Entity(s)	Project Executing Type
Ministry of Environment and Energy (MINAE), Government of Costa Rica	Government
UNDP	GEF Agency
GEF Focal Area (s)	Submission Date
Multi Focal Area	8/9/2024
Type of Trust Fund	Project Duration (Months)
GET	60
GEF Project Grant: (a)	Agency Fee(s) Grant: (b)
3,547,248.00	319,252.00
PPG Amount: (c)	PPG Agency Fee(s): (d)
150,000.00	13,500.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
4030000	21,125,775.90

Project Sector (CCM Only)

Rio Markers

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	No Contribution 0	No Contribution 0	No Contribution 0

### Project Summary

Provide a brief summary description of the project, to offer a snapshot of what is being proposed. The summary should include: (i) what is the problem and issues to be addressed? ii) as a child project under a program, explain how the description fits in the broader context of the specific program; (iii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. (max. 250 words, approximately 1/2 page)

Costa Rica is the largest importer and re-exporter of plastic resins in Central America, producing 161,000 tons of plastic waste annually. Of this, 120,000 tons end up in landfills, while 40,000 tons (25%) pollute rivers and beaches, leaving around 110 tons of plastic in the environment daily. Consumption of plastic bottles in Costa Rica is estimated at 1.7 million per day, with nearly 90% uncollected, contributing to the accumulation of waste in watersheds and marine environments.

The GEF financed project (Grant: USD 3,547,248; Co-financing: USD 21,125,775.90), implemented by the Ministry of Environment and Energy (MINEC) with support of the United Nations Development Programme (UNDP), aims to reduce the amount of plastic placed in the market by the food and beverage (F&B) industry and incentivize them to implement circular solutions to plastic packaging.

The project is structured in four components and the following main outcomes:

- Public policy framework developed which incentivizes the private sector to reduce plastic packaging/containers by enhanced product design and promote the implementation of EPR mechanisms.
- Business cases developed for implementing EPR mechanisms and non-plastic packaging/containers understood by participating companies.
- Business models implemented and evaluated, demonstrating the feasibility of non plastic solutions.
- Consumer behavior changed to promote participation in circular economy, reduction in consumption of plastics and EPR mechanisms initiatives.

The project Circular Solutions to Plastic Pollution in Costa Rica is part of the Integrated Program (IP) which aims to trigger a system change to accelerate the transition towards a circular economy of plastics, with concerted actions by key stakeholders across the plastics life cycle, to end plastics pollution. It will provide Global Environmental Benefits in terms of 16,805 TCO<sub>2</sub>e/y reduced; 0.3 gTEq/y of UPOPs avoided **directly** and 7,726 MT of plastic waste avoided benefiting **289,454 (144,727 women and 144,727 men)** inhabitants of the country.

## Child Project Description Overview

### Project Objective

To reduce the amount of plastic placed in the market by the food and beverage (F&B) industry and incentivize them to implement circular solutions to plastic packaging.

### Project Components

#### Component 1 Strengthening governance and policies on circular solutions for plastic pollution.

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
310,000.00	1,854,805.00

Outcome:

**Outcome 1. Public policy framework developed which incentivizes the private sector to reduce plastic packaging by enhanced product design, promote re-use and refill systems including use deposit and return systems.**

Output:

Outputs 1.1. **New policy framework (15 technical regulations/standards) developed to disincentivize the use of plastics in the F&B sector, ensuring gender-differentiated needs.**

Outputs 1.2. **Consultive Platform operations strengthened in plastic related issues, through the implementation of sectoral roundtables, agreements, knowledge and information exchange.**

Output 1.3. **Strategy to reduce the imports and exports of problematic plastics designed (10 tariff headings and subheadings modified for problematic plastics; 10 technical requirements defined for plastics imports).**

Output 1.4. **Political communication strategy designed and implemented to support the proposed policy framework.**

## Component 2. Improving private sector engagement and unlocking investments

Component Type	Trust Fund
Investment	GET
GEF Project Financing (\$)	Co-financing (\$)
610,000.00	3,631,261.00

Outcome:

**Outcome 2. Business cases for implementing deposit and return systems, non-plastic packaging and recycling initiatives understood by participating companies.**

Output:

Output 2.1. **Tax incentives assessed (at least 3) for improvement, related to economic activities for the production or import of packaging/containers from circular solutions for plastic reduction in F&B, and technically assist at least 5 MSMEs to access tax incentives, with focus on those led by young people and women.**

Output 2.2. **Promote the incubation and acceleration of at least five (5) circular economy initiatives in the private sector, with focus on those led by young people and women.**

Output 2.3 **Green taxonomy inputs for the circular economy of plastics in the F&B sector developed. Financial capacity built for companies and at least 5 MSMEs technically assisted to access funds destined to the implementation of circular solutions to plastics in the F&B sector.**

## Component 3. Financing for pilot projects and business models

Component Type	Trust Fund
Investment	GET
GEF Project Financing (\$)	Co-financing (\$)
1,800,000.00	10,715,196.00

Outcome:

**Outcome 3. Business models implemented and evaluated, demonstrating the feasibility of non-plastic solutions.**

Output:

**Output 3.1** Three (3) feasibility studies developed for the implementation of EPR mechanisms and non-plastic packaging solutions tested in Output 3.2 and 3.3.

**Output 3.2** Three (3) pilot projects of EPR mechanisms designed and implemented, encouraging women/women-led MSMEs participation.

**Output 3.3** One pilot project adopting plastics substitutes designed and implemented, encouraging women participation.

## Component 4. Behavior & social change, knowledge and communication

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
494,182.00	2,941,809.00

Outcome:

**Outcome 4.** Consumer behavior changed to promote participation in circular economy, reduction in consumption of plastics and recycling initiatives.

Output:

**Output 4.1.** Consumer Behavior change strategy designed and implemented, considering gender-differentiated consumption patterns.

**Output 4.2** Two (2) pilot project designed, tested and assessed of an educational/communicational system, with a gender perspective, for plastic use reduction.

**Output 4.3** Five (5) participations in the IP Annual Conferences, at least thirty (30) virtual events/working groups organized by the Global Team attended, and at least five (5) knowledge products/lessons learned shared at IP level.

## M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
165,729.00	986,566.00

Outcome:

**Outcome 5.** M&E and adaptive management applied to assess activity performance and GEB impact.

Output:

Output 5.1. Inception Workshop organized; Monitoring of indicators in project results framework; Independent Mid-term Review (MTR); and Terminal Evaluation (TE) carried out.

## Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1 Strengthening governance and policies on circular solutions for plastic pollution.	310,000.00	1,854,805.00
Component 2. Improving private sector engagement and unlocking investments	610,000.00	3,631,261.00
Component 3. Financing for pilot projects and business models	1,800,000.00	10,715,196.00
Component 4. Behavior & social change, knowledge and communication	494,182.00	2,941,809.00
M&E	165,729.00	986,566.00
<b>Subtotal</b>	<b>3,379,911.00</b>	<b>20,129,637.00</b>
Project Management Cost	167,337.00	996,138.90
<b>Total Project Cost (\$)</b>	<b>3,547,248.00</b>	<b>21,125,775.90</b>

Please provide Justification

N/A

## CHILD PROJECT OUTLINE

### A. PROJECT RATIONALE

Describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Since this is a child project under a program, please include an explanation of how the context fits within the specific program agenda. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

### THE BASELINE SCENARIO

Costa Rica is considered one of the 20 countries with the greatest biodiversity in the world, with an area of only 51 100 km<sup>2</sup> (0,03% of the world's total) and 589 000 km<sup>2</sup> of territorial waters. It contains 5% of the world's biodiversity, that is why it is important to maintain pristine these areas as much as possible; placing particular emphasis on oceans which have direct effects on over 60% of the country's population, when considering the country's geography. The country has a population of 5,153,957 inhabitants<sup>[1]</sup>, being 50% female and 50% male population. It is divided into 7 administrative provinces which are Alajuela, Cartago, Guanacaste, Heredia,

Limon, Puntarenas, and San Jose. These provinces are divided into 84 cantons, which are further subdivided into 473 districts. The economy depends directly on the non-extractive use of natural resources, for example via tourism industry.

### *Institutional and Legal Framework*

Protection of the environment is one of Costa Rica's political pillars. The following institutional framework accompanies the protection of the environment and human health, including protection from hazardous chemicals and waste within the scope of the project.

The Ministry of Environment and Energy (MINAE) is in charge of formulating, planning and implementing policies related to natural resources and environment protection of the Government of this Republic. Likewise, the MINAE is in charge of the control, audit, promotion and development of the mentioned field.

The Ministry of Health (MINSALUD) is the governing body of public health; it is responsible for protecting the environmental conditions that can risk human health. It establishes the policies, regulations, technical regulations, and it has control over topics related to hazardous products, pesticides, handling of residues and atmospheric pollution. In regard to waste management they are the governing body.

The Ministry of Finance through its General Directorate of Customs is responsible for obtaining a timely and effective control of the import and export of goods to the national territory, protecting the interests of the community such as health, safety, and the environment. The General Directorate of Customs is the national hierarchical superior body of customs, which is in charge of the technical and administrative functions of customs and creates policies and regulations for the activities of customs and related departments.

Regarding the legal framework, the country has made significant efforts to reduce plastic use and waste pollution by developing a strong legal framework based on the Law for the Integral Management of Solid Waste 8839 approved in 2010. The purpose of this Law is to regulate the integrated management of waste and the efficient use of resources, through the planning and execution of regulatory, operative, financial, administrative, educational, environmental and healthy actions of monitoring and evaluation. This law has a national scope and delegates responsibility for the integral management of solid waste to each of the 84 municipal governments, under the permanent direction of the MINSALUD, in permanent coordination with the MINAE. The law introduces the principle Extended Producer Principle (EPR) only applicable to special handling waste, which are defined through National Decree No. 38272-S of the MINSALUD ("Regulations for the Declaration of Special Handling Wastes"). It is relevant to highlight that within this Decree single use plastics are not included. Additionally, there have been recent reforms to the Law 8839 which are:

- Law 9825 "Reforms the Law for Integral Waste Management, the Organic Law of the Environment, and the Municipal Code" (July 2020): Among the modifications are the functions of the municipalities that will be responsible for the integral management of the waste generated in their canton, for which they must apply sanctions for non-compliance as well as the collection of the corresponding fines. Also, the regulations are modified with respect to the generators of ordinary waste who (in accordance with the conditions determined by the respective regulations) will be obliged to separate and classify them for their recovery or final disposal by their own means through authorized managers or through the municipalities, as well as to pay the municipalities, in a timely manner, the payment of the integral waste management fee.

- Law 10031 "Reform of the Integral Waste Management Law" (October 2021): which broadens the recycling duties of the general population and of companies that produce goods whose recycling is determined as a priority. Under the new reform, the duties to reduce, reuse and recycle are reinforced by means of the new article 24, which establishes that all potentially recoverable waste must be destined for that purpose. In particular, the new text of the Law creates the classification of 'priority products' (Lubricating oils; Electrical and electronic equipment; Batteries; Tires; Batteries) and establishes that the producers of these products must guarantee the collection of the waste generated from them, free of charge and without the collection being dependent on the purchase of another product.

In terms of plastic management, the following regulatory framework has been developed:

- Decree No. 35906/2010 "Regulation for Waste Value Recovery Centres": establishes the physical-sanitary requirements and conditions that recovery centres for recoverable waste must comply with in order to operate in harmony with health and the environment in the national territory.

- Decree No. 37567/2013 which approves the General Regulations of the Law for Integral Management of Solid Waste and refers to actions for sustainable buying schemes for waste products and collection containers (waste containers).

- Law 9703 (July 2019) "Law for the prohibition of expanded polystyrene" (reform of the Law for the Integral Management of Solid Waste). It prohibits the importation into the national territory, commercialization and delivery of expanded polystyrene packaging and containers in any commercial establishment. The following are exempted from this prohibition: a) Cases in which the use of alternative materials is not environmentally viable due to conservation or product protection issues; b) Packaging for household appliances and related products; c) Industrial uses.



- Law 9786 (December 2019) “Law to tackle plastic pollution and protect the environment”. Within this Law plans, programs, projects, strategies and public or private undertakings for circular economy, prevention, reduction, reuse, recovery, treatment, disposal and education on the substitution and elimination of single-use plastic pollution, as well as initiatives for productive reconversion, conservation, sustainable use and research for the substitution, reduction and elimination of single-use plastic are declared to be of public interest.

- Executive Decree No. 43985 “Regulation to the Law to Tackle Plastic Pollution”. In April 2023 Costa Rica approved through the Executive Decree a new regulation to tackle plastic pollution. According to the new regulation, which comes to enforce Law 9786, plastic bags that are not biodegradable, or at least are not certified as having a low environmental impact, may not be sold or offered in Costa Rican companies. This measure will come into force next year. The regulation also establishes that the State will not be allowed to make any more purchases of plastic materials, unless they can be reused, recycled or biodegradable. This is in order to set an example to change the Costa Rican consumption culture.

As for plastic bottles, distributors or retailers must ensure that they are made with a percentage of recycled plastic or, like the bags, are biodegradable. They must also comply with an effective program for the recovery of these containers.

Additionally, Costa Rica has designed several national strategies and policies which contributes to overcome the plastic pollution through upstream and midstream interventions within the value chain. The following can be highlighted:

- National Strategy for Segregation, Recovery and Valorization of Waste. The Strategy, defined for the period 2016-2021 and it is currently being updated, aims to develop an inclusive model for integrated solid waste management in the country that allows for capacity building between the public sector, private sector and civil society. The strategy has among its following principles: i) waste hierarchy management; ii) extended producer responsibility and iii) prevention of waste generation at source.

- National Strategy for the substitution of single-use plastics. The country had developed a National Strategy to Promote the substitution of plastics with renewable and compostable alternatives through the collective and voluntary action from the public sector (central government and municipalities), the private sector and civil society for the period 2017-2021 and its update 2022-2027.

- National Strategy for Circular Economy. The National Circular Economy Strategy, as a planning instrument, will allow the structural bases to be established to initiate the transition towards an inclusive circular economy as a sustainable development model. It has 8 guiding principles to maintain a balance between economic growth based on strengthening the competitiveness of national production, the well-being of Costa Rican competitiveness of national production, the well-being of Costa Rican society in all its contexts and its cultural diversity, reduce pollution and improve waste management, as well as and its cultural diversity, reducing pollution and improving waste management, as well as the ecological balance and regeneration of the country's ecological balance and the regeneration of natural systems to ensure the sustainable development of future generations.

Its specific objectives are: 1) To develop innovative production systems with materials recirculation technologies (9Rs), inclusive employment, sustainable consumption and reduction of pollution.; 2) Strengthen the resilience of value chains and the creation of quality formal employment through territorial development in the six planning regions.; 3) Increase the circularity of secondary materials, reducing dependence on virgin materials of extractive origin, strengthening self-sufficiency, resource productivity and competitiveness; 4) Supporting national policies for the decarbonization of the energy matrix and productive systems.; 5) To support local governments in the circularity of their cantons, considering information platforms and alliances with companies and organizations to raise public awareness on circular economy and the correct management of waste.; 6) To increase the renewability of natural resources and biomass, as well as their productivity and sustainable productivity and sustainable management through regenerative systems.

- National Strategy for Bioeconomy 2020-2030. The Strategy vision is to build a Costa Rica with sustainable production of high added value in all its regions and emerging biocities, based on the fair and equitable use of its biodiversity, the circular use of biomass and the country's biotechnological progress as a knowledge society. As one of its strategic objectives, the Strategy aims to make the bioeconomy one of the pillars of Costa Rica's productive transformation, promoting innovation, value addition, diversification and sophistication of its economy, applying the principles of the circular bioeconomy and seeking the decarbonization of fossil fuel production and consumption processes. In addition, within its Strategic Lines of Action 5 the following is considered: Urban Bioeconomy and Green Cities: i) Sustainable management and valorization of urban waste ii) Interurban biological corridors and iii) Urban design inspired by biological principles, processes and biological systems.

- National Policy on Sustainable Production and Consumption 2018-2030. It was made official by Executive Decree N°41032, which aims to 'gradually adopt sustainable production and consumption patterns that contribute to the well-being of the general population and future generations, through the articulation of national planning instruments in a framework of inter-institutional and inter-sectoral coordination'.

#### Tax incentives related to plastic waste management in Costa Rica

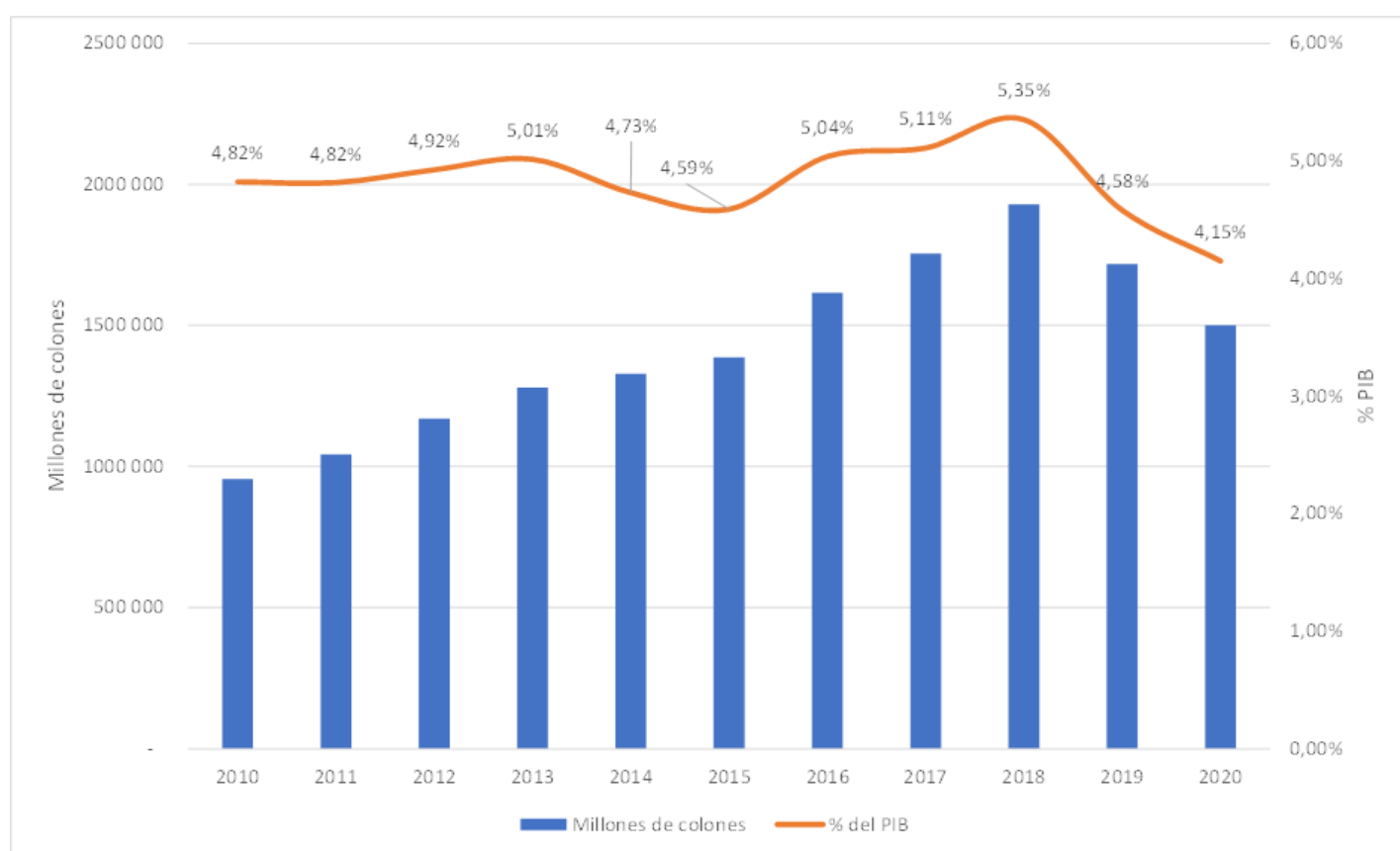
### Total tax expenditure in Costa Rica:

Tax expenditures (TE) in Costa Rica are defined as the revenues that the Government forgoes to receive, by granting a different tax treatment than the one generally applied. Tax expenditures are generated by the introduction in the tax legislation of elements such as: i) Exemptions; ii) Deductions; iii) Tax Deferrals; iv) Tax Credits; v) Reduced Rates.

Since 2011, the Fiscal Policy Division of the Ministry of Finance prepares every year an analysis of tax expenditures using the method of 'Lost Revenue or financial benefit received by the taxpayer. This method consists of calculating ex post the magnitude of the reduction in tax revenue resulting from the establishment of a type of tax expenditure.

Between 2010 and 2020, the average tax expenditure in Costa Rica has been 1,425,422 million colones, equivalent to 4.83% of GDP. Tax expenditure has presented an increasing trend until reaching its highest level in 2018 where it was 5.35% of GDP, and subsequently decreasing in 2019 and 2020. Total tax expenditure for 2020 is estimated to be 4.15% of GDP presenting a reduction of 0.4 percentage points with respect to 2019 due to the entry into force of Law 9635 'Strengthening of Public Finances'.

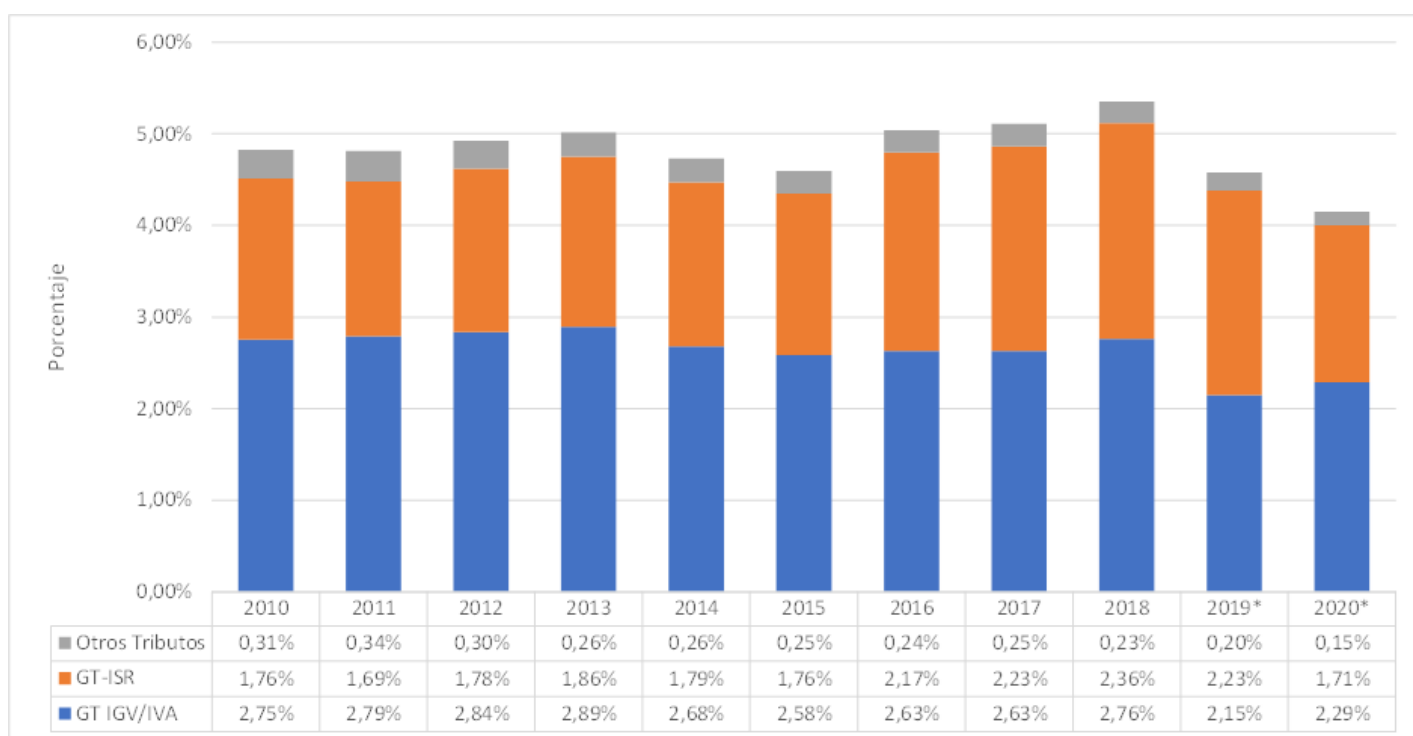
Figure 1. Costa Rica: Evolution of total tax expenditures, 2010 - 2020, in millions of colones and as % of GDP



Source: PPG Team based on information from the Ministry of Finance, 2021.

In relation to the composition of total tax expenditure for 2020, the TE related to Value Added Tax (VAT) was 2.29% of GDP (55.29% of total tax expenditure); followed by the TE of Income Tax (ISR) which was 1.71% of GDP (41.15% of tax expenditure); while tax expenditure related to other taxes was only 0.15% of GDP (3.56% of total tax expenditure).

Figure 2. Costa Rica: Composition of tax expenditure as a percentage of GDP.



Source: PPG Team based on information from the Ministry of Finance, 2021.

In 2020, VAT tax expenditure amounts to ¢ 829,840.72 million, representing 2.29% of GDP. It is mainly composed of tax expenditure related to local consumption of goods and services (¢ 436,349.79 million in Goods and ¢ 392,265.51 million in Services) and ¢ 1225.42 for the Forestry Law No. 7575.

The income tax expenditure for 2020 amounts to ¢ 617,664.44 million (1.71% of the GDP), within which the tax expenditure related to Income Tax represents 1.11% of the GDP and the 'Other Cederal Income' represents 0.60% of the GDP.

In 'Other Taxes' tax expenditure is 0.15% of GDP for 2020, of which the Single Tax on Fuels (IUSC), contributes 0.07% of GDP and other import taxes 0.08% of GDP.

#### *Environmental tax expenditure in Costa Rica:*

Between 2020 and 2021, the Green Economy Transformation (GET) project of the German Development Cooperation (GIZ) supported the Government of Costa Rica in the development of a methodology for the classification of tax expenditures according to their environmental impact. Therefore, the TE 2020 report includes a section called 'Tax Expenditure with Environmental Impact 2020'. The objective of this new section is to identify, classify, quantify and follow up on the TE with environmental impact to improve the effectiveness of public policies and that can be used as input for the development of strategies in the short, medium and long term.

The methodology applied in Costa Rica makes it possible to identify tax expenditure lines based on a disaggregated analysis of the current regulatory framework, based on the application of internationally recognized statistical classification standards and considering the impact of these tax breaks on six strategic areas of public policy at the environmental level proposed by the European Union: (i) climate change mitigation; (ii) adaptation to climate change; (iii) sustainable use and protection of water and marine resources; (iv) transition to a circular economy; (v) pollution prevention and control; and (vi) protection and restoration of biodiversity and ecosystems.

The main results for the year 2020 show that tax expenditure associated with some environmental aspect of ¢144,781.30 million, that is, 0.40% of the GDP. Of this environmental tax expenditure, 60.66% (¢ 87,829.03 million) is associated with some negative incidence, 37.04% (¢ 53,619.94) with a neutral incidence and 2.30% (¢ 3,332.33) with some positive incidence (Ministry of Finance of Costa Rica, 2021).

Table 1. Tax expenditure with environmental impact 2020

Rating	Incidence	Environmental tax expenditures (ETE) (millions of colones)	% ETE	%GDP
3	Main positive in the long term	580.67	0.4%	0.0%
2	Secondary positive	5.54	0.0%	0.0%
1	Main positive in the short term	2,746.12	1.9%	0.01%
0	Neutral	53,619.94	37.04%	0.15%
-1	Negative	87,829.03	60.66%	0.24%
	<b>Total</b>	<b>144,781.30</b>	<b>100.0%</b>	<b>0.40%</b>

Source: Ministry of Finance Costa Rica, 2021

If the ETE 2020 data is analyzed according to the classification of the Framework for the Development of Environmental Statistics (MDEA) and used by Costa Rica for environmental satellite accounts, which covers aspects of the environment relevant for policy analysis and decision making, as it is applicable to cross-cutting issues such as climate change, it is found that 82.42% of the ETE is related to Environmental Resources and their use, followed by Waste with 17.56% (Costa Rican Ministry of Finance, 2021).

Table 2. Tax Expenditure with Environmental Impact 2020, classification according to MDEA

Environmental Statistics Framework	ETE (%GDP)	Composition
2: Environmental Resources and their use	0.327%	82.40%
3: Waste	0.070%	17.56%
4: Extreme Events and Disasters	0.000%	0.04%
5: Human Settlements and Environmental Health	0.000%	0.00%
6: Environmental Protection, Management and Participation/Action	0.000%	0.00%
<b>Total</b>	<b>0.397%</b>	<b>100.00%</b>

Source: Ministry of Finance Costa Rica, 2021

Of the total amount of the ETE, the most representative amount is the VAT with 80.5%, followed by the selective consumption tax on hydrocarbons with 16.91%, mainly. 91.98% of the tax expenditure with environmental impact was implemented through exemptions and exclusions (0.35% of GDP) and 8.01% through reduced rates (0.04% of GDP).

#### *Tax incentives related to plastic waste management:*

The main tax incentives related to waste management are established in:

- Regulatory Law on Exemptions in Force, Repeals and Exceptions N° 7293 issued on 3/4/1992 by the Legislative Assembly which establishes in Art. 2, literal e): They are granted in favor of institutions, public and private companies, foundations and associations without lucrative activities that are dedicated to the collection and treatment of garbage and the conservation of natural resources and the environment, as well as any other basic activity in the control of environmental hygiene and public health .
- Law for the Strengthening of Public Finances No. 9635 in relation to the Value Added Tax establishes in Art. 12 that the taxable base determined in the sale of goods shall be reduced by the amount of the containers and packaging susceptible of reuse that have been returned.

In addition, transitory article XVII establishes that: 'The taxpayers that provide services of collection, classification and storage of recyclable and reusable goods, and are duly registered before the Tax Administration and the Ministry of Health, shall be exempt from the value added tax during the first year of effectiveness of this law. The Ministry of Environment and Energy (MINAIE), by regulation, may establish the conditions deemed necessary. Likewise, they shall be subject to a reduced rate of four percent (4%) during the second year of effectiveness of this law, which shall be increased by four percentage points during the third year of

effectiveness of this law. From the fourth year of effectiveness of this law, they will be subject to the general value added tax rate provided in Article 10 of this law. During the application of the exemption and the reduced tax rate provided for in this transitory provision, the services that are not registered under the terms provided herein and, in the regulations, shall be subject to the rate established in Article 10 of this law.

It should be noted that the Ministry of Finance does not have an estimate of the tax waiver for these two incentives related to the management of plastic waste.

#### Plastics in Costa Rica

Costa Rica is the largest importer of plastics in Central America, for local consumption, processing, and export. The value of imports of finished plastic products has doubled in the last decade. In the year 2021<sup>[1]</sup>, 398,254 MT of plastic materials and their manufactures were imported, and 118,479 MT were exported for a net national consumption of 279,875 MT, 40% of them are related with packaging industry and single use plastics. A total of 131 importing companies were identified (51.9% micro and small, 26% medium and 19.1% large), mainly in the plastic products category. These companies generate 13,000 direct jobs and about 10,000 indirect and informal jobs. Large companies employ 79% of the population.

The following tables indicates the past years trend of imports and exports of plastics resins and plastics products for the application of packaging:

Table 3. Imports/Exports (kilo tonnes) of polymer primary form.

	2017		2018		2019		2020		2021	
Polymer Type	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
HDPE	25.19	0.62	24.59	0.29	25.24	0.34	28.52	0.48	26.70	0.50
LDPE	58.14	0.71	27.40	0.51	26.40	1.00	24.55	1.37	25.89	1.06
Other	60.81	1.59	61.48	1.72	59.23	1.66	59.24	1.61	62.80	3.07
PET	16.00	0.90	21.44	0.75	19.63	0.44	18.44	0.39	20.23	0.41
Polyester	2.35	0.24	2.38	0.31	2.87	0.34	2.73	0.30	3.52	0.25
PP	18.98	1.31	21.10	1.53	19.95	1.64	21.95	1.10	23.55	2.13
PS	7.97	0.04	7.26	0.21	7.66	0.10	7.25	0.07	8.45	0.11
PVC	55.13	5.99	54.22	4.90	68.57	6.01	60.34	4.19	73.94	6.10
Synthetic Rubber	18.68	0.05	18.26	0.15	13.64	0.21	13.74	0.03	15.09	0.03
<b>TOTAL</b>	<b>263.24</b>	<b>11.44</b>	<b>238.13</b>	<b>10.36</b>	<b>243.19</b>	<b>11.73</b>	<b>236.77</b>	<b>9.54</b>	<b>260.16</b>	<b>13.67</b>

Source: IUCN. 2023. National Guidance for Plastic Pollution Hotspotting and Shaping Action. First draft, Costa Rica Report. Trade analysis.

Table 4. Imports/Exports (kilo tonnes) of plastics packaging application in Costa Rica.

	2017		2018		2019		2020		2021	
Application	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
Boxes, cases, crates	8.35	4.48	8.13	3.58	8.77	4.54	Not available (n/a)	4.64	10.93	5.94
Bags	1.98	11.83	20.28	9.30	20.95	8.11	n/a	8.99	23.32	7.42
Other bottles	15.02	14.06	14.79	16.42	17.79	13.55	n/a	13.97	18.34	12.36
Lids and caps	5.05	5.62	4.68	5.78	4.63	5.62	n/a	5.93	5.78	6.85
Other packaging	5.89	1.06	6.23	1.00	6.00	1.81	n/a	1.08	6.51	1.48
Drinks bottles	3.01	10.47	2.86	10.01	2.99	10.92	n/a	11.20	3.32	14.63
Dairy packaging	0.51	2.31	0.43	2.38	0.39	2.62	n/a	2.44	0.41	2.21

TOTAL	55.81	49.84	57.38	48.46	61.53	47.18	n/a	48,25	68.62	50.89
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Source: IUCN. 2023. National Guidance for Plastic Pollution Hotspotting and Shaping Action. First draft, Costa Rica Report. Trade analysis.

The Ministry of Health estimates that Costa Ricans produce 161,000 tons of plastic waste per year, of which 120,000 tons end up in landfills and 40,000 tons (25%) in natural environments (rivers and beaches). This means that approximately 110 tons of plastic are left in the environment every day and the tendency is for the figure to increase year after year.<sup>[2]</sup> From the waste that is reaching landfills it is estimated that 20% are being openly burnt and from the waste that is reaching the environment (because they have not been collected) it is estimated that 12.1% are being openly burnt. This means that annually 28,800 tons of plastics are being burnt in the country (24,000 tons in landfills and 4,800 tons dumped).

Moreover, although it has improved in recent years, solid waste recovery remains low, having reached a rate of 10% in 2021. This rate is composed of 3.9% of recycling, 2.7% of composting and 3.4% of co processing<sup>[3]</sup>. Within the recycling rate only 17% consists of plastics. A considerable amount of ordinary recoverable waste that is collected by Municipalities and Private Managers are rejected mainly because they are not clean and dry or have no market and are sent to the landfill or for co-processing.

The Ministry of Finance reports an annual production of at least 600 million disposable plastic bottles and consumption of plastic bottles is estimated at 1.7 million per day, of which almost 90% are not collected and end up accumulated in watersheds, coasts, and marine environments<sup>[4]</sup>.

Three private companies produced 80% of the plastic bottles for beverages (FIFCO, FEMSA and Dos Pinos). Between 2017-2020 76,000 MT of plastic bottles and containers were recycled, however 14,600 MT of plastic waste still leaked into the environment polluting forests, rivers and seas. These three main companies established an alliance with ALIARSE Foundation to support plastic recovery. In addition, the main beverage companies based in Costa Rica and Walmart have established the Alliance for Sustainability, and developed a plan to eliminate unnecessary plastic packaging, reduce the size and weight of containers and packaging, use recycled resin in packaging, and recover 100% weight equivalent of post- consumption plastic placed on the market, for recycling. They have established public-private cooperation alliances with the different municipal governments for post-consumption plastic recovery and recycling programs, and the National Recovery and Recycling Network that includes around 250 small and medium recycling organizations.

The long-term solution to these problems would be a policy environment that disincentivizes and bans the most polluting uses and packages of plastic in the country, combined with consumer awareness that rejects the purchase of goods using unnecessary plastic packaging and prefers deposit and return systems.

Costa Rica is engaging other countries addressing plastic pollution by sharing its experience with the National Strategy to substitute plastics (the three companies that lead the bottling market in Costa Rica and in the region are transnationals with operations throughout the Central American region. Two of them are headquartered in Costa Rica (FIFCO and Dos Pinos) and one is Mexican, Coca Cola FEMSA) and through its participation in private sector lead initiatives such as REAP, a model that views the plastic and construction industries as a connected system, where the plastic industry waste stream becomes the raw material and value stream for the construction and building industry.

The adoption of a successful deposit/return system in Costa Rica could potentially be scalable through these companies to the entire region. They are committed to achieving sustainability standards and participate in work groups and alliances with other companies such as large retail chains with a presence throughout the region.

#### Contributions to Greenhouse Gases Emissions (GHG)

The Costa Rica National Inventory of Greenhouse Gas Emissions estimates solid waste management to represent 8.3% of the country's total emissions, inclusive of plastic pollutants that end up in landfills or are incinerated. In the following table, the detail of emissions related to the solid waste management can be observed<sup>[5]</sup>:

Table 5. Waste management emissions in Costa Rica

	2019	2020	2021	2022
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Sanitary Landfill	1510.0	1527.6	1545.3	1563.1
Transport	17.6	17.8	18.0	18.2
Recycling	-48.1	-48.6	-49.1	-49.6
<b>Total (1000 t CO<sub>2</sub>e)</b>	<b>1479.4</b>	<b>1496.8</b>	<b>1514.2</b>	<b>1531.6</b>

Activities destined to reduce the plastic production, increase recycling and promote a deposit return system will contribute to the reduction of emissions of plastics reaching landfills. Addressing plastic pollution is part of goals 6.4 and 6.5 of NDC in Costa Rica, the National Decarbonization Plan 2050, and Action Plan for the Comprehensive Management of Solid Waste 2021- 2026, and the National Policy for Sustainable Production and Consumption 2018-2030. These policy commitments include upstream components (like banning styro foam) and downstream components, addressing the entire plastic containers and packaging value cycle.

#### Contributions to Unintentional Persistent Organic Pollutants (UPOPs).

Current waste management practices are also contribution to the releases of Unintentional Persistent Organic Pollutants such as Dioxins and Furans. According to the last update of the National Dioxins and Furans Emission Inventory (2015) and based on the scope of this project, the following should be highlighted:

Table 6. 2015 dioxins and furans inventory related to waste burning.

	Emissions gTEQ/year (2015)
Fires at waste dumps (Cat. 6)	15.086
Open burning of domestic waste (Cat. 6)	1.8
<b>Subtotal</b>	<b>16.886</b>

As plastics is considered to contribute to these emissions, activities aimed at first reducing plastic waste generation and then improving the management of existing plastic waste streams through the circularity of materials and the adoption of best practices for their reuse and recycling, make possible to minimize the release of these pollutants.

## THE DEVELOPMENT CHALLENGE

The development challenge is to overcome a national context that encompasses a series of regulatory, institutional, technical, behavioral, social, and environmental gaps that impede the national capacity to reduce the amount of plastic that the food and beverage industry put on the market and incentivize them to implement circular solutions to plastic packaging. The analysis of the development challenge during PPG phase has identified the following problem tree with immediate, intermediate, and root causes:



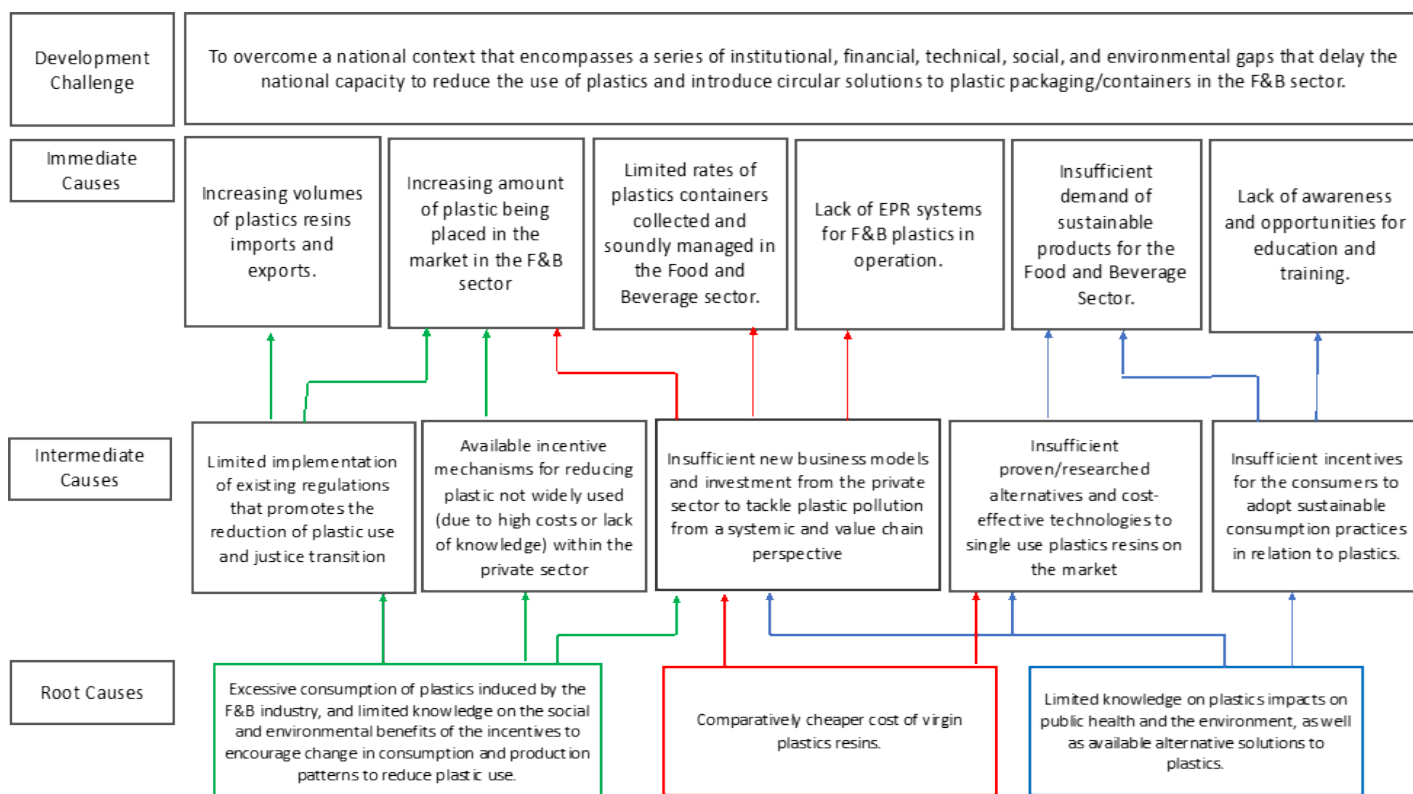


Figure 3. Theory of Change: Problem Tree Analysis Diagram

## The Development Challenge

The development challenge is to overcome a national context that encompasses a series of institutional, technical, social and environmental gaps that delay the national capacity to reduce the use of plastics and introduce circular solutions to plastic packaging/containers in the F&B sector.

The PPG stage has identified increasing volumes of imports and exports of plastics (polymer primary form and plastics products for packaging applications), estimating a net consumption per year of near 112,000 tons of plastics related to the packaging industry and single use plastics. These volumes, as per estimations of the Ministry of Health, would end up 74.5% in landfills, 25% in natural environments (rivers and beaches), and less than 0.5% recovered, which evidences the need of upstream interventions to reduce the use of plastics and increase circularity of materials.

This alternative scenario is of great significance for human health, environment and sustainable growth, to comply with the existing national regulation and international commitments. Additionally, it results of great interest for the negotiations of an internationally legal binding instrument to end plastic pollution and to establish a science-policy panel on chemicals and waste and to prevent pollution.

### Barriers to overcome for the reduction of plastics and adoption of circular solutions in Costa Rica:

The analysis of the development challenge carried out at the PPG stage for the preparation of the problem tree above has distinguished three different levels of causes for reducing the use of plastics and incorporate circular solutions to plastics in the F&B industry, i.e.: immediate causes, underlying/intermediate causes and structural/root causes.



Six immediate causes identified were:

i) Increasing volumes of plastics resins imports and exports.

Even though Costa Rica has made significant efforts through the development of National Strategies and regulatory frameworks, trends in imports still shows an increase of plastics resins being imported and exported.

ii) Increasing amount of plastic being placed in the market in the F&B sector.

Three private companies produced 80% of the plastic bottles for beverages (FIFCO, FEMSA and Dos Pinos). Despite the efforts made, through the establishment of the Alliance for Sustainability ALIARSE Foundation to support plastic recovery, trends of plastics being placed in Costa Rica related to the F&B sector indicate volume increases.

iii) Limited rates of plastics containers collected and soundly managed in the Food and Beverage sector.

The Ministry of Health estimates that Costa Ricans produce 161,000 tons of plastic waste per year, of which 120,000 tons end up in landfills and 40,000 tons (25%) in natural environments (rivers and beaches). This means that approximately 110 tons of plastic are left in the environment every day and the tendency is for the figure to increase year after year.

Moreover, although it has improved in recent years, solid waste recovery remains low, having reached a rate of 10% in 2021. This rate is composed of 3.9% of recycling, 2.7% of composting and 3.4% of co processing<sup>[1]</sup>. Within the recycling rate only 17% consists of plastics. A considerable amount of ordinary recoverable waste that is collected by Municipalities and Private Managers are rejected mainly because they are not clean and dry or have no market and are sent to the landfill or for co-processing.

iv) Lack of EPR systems for F&B plastics in operation.

Although efforts in establishing public-private cooperation alliances with the different municipal governments for post-consumption plastic recovery and recycling programs, and the National Recovery and Recycling Network that includes around 250 small and medium recycling organizations, there are no sustainable EPR systems in place for packaging/containers in the F&B industry.

v) Insufficient demand of sustainable products for the Food and Beverage Sector.

The role of consumers in support of the demand of sustainable products, including the participation in mechanisms for plastics recovery, is key. Up to date, general public engagement is not enough to support transition towards the reduction of plastic use in the F&B sector.

vi) Lack of awareness and opportunities for education and training.

Different groups of stakeholders (government, private sector, financial institutions, CSO) still have limited/lack of awareness on the positive impact of the reduction of plastic use and circularity principles, resulting in training and education opportunities that are not properly planned and carried out.

Five major underlying causes were also identified as the basis of the immediate causes mentioned above. These were as follows:

i) Limited implementation of existing regulations that promotes the reduction of plastic use and justice transition.

As described within the baseline, Costa Rica developed several policies and strategies to tackle plastic pollution and encourage the reduction of plastics use, as well as enhance its recovery, preventing them from reaching the environment. However, at the moment, its implementation has been evidenced to be limited with major room for improvement in the development of technical regulations and technical standards that favor a more effective implementation.

ii) Available incentive mechanisms for reducing plastic not widely used (due to high costs or lack of knowledge) within the private sector.

In consultations held during the PPG phase with the private sector they have expressed two main points about the incentives available in the country. On the one hand, many of them suggested that they were not informed or aware of incentives they could apply towards plastic reduction or adoption of circular models in their businesses, and on the other hand, those who were aware indicated that the incentives were more costly than the benefit obtained.

iii) Insufficient new business models and investment from the private sector to tackle plastic pollution from a systemic and value chain perspective.

Limited or deficient business models and investments that adopt circular principles based on the insufficient capacities of financial institutions to grant credits aligned to the circular economy, and the positive social and environmental impact. On the other hand, insufficient capacities of enterprises, mainly MSMEs to develop bankable circular economy projects and access to financing.

iv) Insufficient proven/researched alternatives and cost-effective technologies to single use plastics resins on the market.

Isolated and small-scale initiatives of alternatives to single-use plastic limit the evidence of cost-effective solutions and their increased availability in the market.

v) Insufficient incentives for the consumers to adopt sustainable consumption practices in relation to plastics.

Linked to the lack of engagement, consumers in Costa Rica do not have sufficient incentives to abandon traditional plastic consumption practices in favor of more sustainable and/or recoverable products, as well as to participate in initiatives that promote the recovery of these plastics.

Three structural/root causes were identified as follows:

i) Excessive consumption of plastics induced by the F&B industry, and limited knowledge on the social and environmental benefits of the incentives to encourage change in consumption and production patterns to reduce plastic use.

40% of the imports, exports and net consumptions of plastics in Costa Rica are related with packaging industry and single use plastics. There is a need to engage the private sector in the F&B sector, and build capacity, evidencing social and environmental benefits, to properly encourage change in production and consumption patterns, and tackle plastic pollution.

ii) Comparatively cheaper cost of virgin plastics resins.

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At present, the cost of virgin plastics resins is still comparatively cheaper which constitutes one of the main challenges to promote changes in traditional consumption and production patterns. There is a need for comprehensive and coherent policies, including incentives, to compensate this situation and support the transition.

iii) Limited knowledge on plastics impacts on public health and the environment, as well as available alternative solutions to plastics. Insufficient knowledge and information on the impact of plastics use and mismanagement in public health and the environment, as well as its associated costs, in combination with limited market availability of alternative solutions to plastics. There is need to build evidence and knowledge on technically and economically feasible business models which internalize health and environmental benefits.

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[1] Current situation of integrated waste management in Costa Rica. Reference material for the update of the National Policy on Integrated Waste Management 2022-2032. Ministry of Health (MS).

[1] National Institute for Statistics and Census (INEC).

[2] National Strategy for the substitution of single-use plastics.

[3] Current situation of integrated waste management in Costa Rica. Reference material for the update of the National Policy on Integrated Waste Management 2022-2032. Ministry of Health (MS).

[4] National Strategy for the substitution of single-use plastics.

[5] Solid waste status report for the determination of the Costa Rica waste NAMA. Project Climate Action II.

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[1] [WorldBank Data](#)

## B. CHILD PROJECT DESCRIPTION

This section asks for a theory of change as part of a joined-up description of the project as a whole, including how it addresses priorities related to the specific program, and how it will benefit from the coordination platform. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the guidance document. (Approximately 3-5 pages) see guidance here

### STRATEGY

As described in previous section, Costa Rica has made significant progress and efforts to reduce plastic use and waste pollution. However, it is important to note that there are still substantial initiatives and aspects that must be addressed to strengthen and improve national capacities to protect human health and the environment from plastic pollution resulting from the plastics in the food and beverage sector.

Based on this, the main challenges to be addressed by this project, which are directly linked to the root causes/main barriers identified in the Problem Tree Analysis Diagram, are the following:

- a) Insufficient incentives for the private sector to reduce plastic packaging and to adopt ecological alternatives or deposit and return systems.
- b) Insufficient information by companies about costs incurred, and other barriers and processes that are yet unknown, for switching to sustainable non-plastic packaging solutions or adopting deposit and return systems.
- c) Insufficient incentives for the consumers to adopt sustainable consumption practices in relation to plastics.

Finally, to address the reduction of plastic use, the implementation of Deposit Return Systems, and the adoption of circular business models within the Food and Beverage sector, the project's strategy will require the involvement of key stakeholders, such as government authorities (including customs officers to ensure the control of imports), food and beverage companies, industrial associations (plastic producers), civil society, and academy.

## THEORY OF CHANGE

The Project's vision is to proceed with direct interventions on the immediate, intermediate and root causes previously identified; recognizing the multi-dimensional impacts of plastics in the food and beverage sector on the environment, health, biodiversity and poverty. The objective of this FSP is to reduce the amount of plastic placed in the market by the food and beverage industry and incentivize them to implement circular solutions to plastic packaging in Costa Rica.

This FSP is aligned to UNSDCF outcome 2.1. By 2027, institutions are transformed and modernized to provide people-centered, inclusive, innovative, effective, efficient, timely and flexible, gender-transforming quality services, articulated with other institutions and with a strong territorial approach, allowing municipalities to become the main agents of change in local development, especially in territories with a lower development index. / Output 1.3. National and local public institutions have strengthened their capacities to manage, inform and supervise substances harmful to the environment, as well as to substitute and eliminate them. UNSDCF outcome 3.2. By 2027, women in their diversity and vulnerable populations participate in and benefit from an innovative, inclusive economy that enhances their opportunities for decent work and entrepreneurship, with better conditions to access financing mechanisms. / Output 2.2. National and local public sectors have strengthened capacities for the promotion of a green, blue, purple and circular economy and the strengthening of climate action.

In addition, the project is aligned to the following National and Sectorial Policies:

- National Strategy for the substitution of single-use plastics. The country had developed a National Strategy to Promote the substitution of plastics with renewable and compostable alternatives through the collective and voluntary action from the public sector (central government and municipalities), the private sector and civil society for the period 2017-2021 and its update 2022-2027;
- National Strategy for Circular Economy. The National Circular Economy Strategy, as a planning instrument, will allow the structural bases to be established to initiate the transition towards an inclusive circular economy as a sustainable development model. It has 8 guiding principles to maintain a balance between economic growth based on strengthening the competitiveness of national production, the well-being of Costa Rican competitiveness of national production, the well-being of Costa Rican society in all its contexts and its cultural diversity, reduce pollution and improve waste management, as well as the ecological balance and regeneration of the country's ecological balance and the regeneration of natural systems to ensure the sustainable development of future generations. Within the Strategy, as described within the baseline, different specific objectives contribute and are aligned to this project.
- National Strategy for Bioeconomy 2020-2030. The Strategy vision is to build a Costa Rica with sustainable production of high added value in all its regions and emerging biocities, based on the fair and equitable use of its biodiversity, the circular use of biomass and the country's biotechnological progress as a knowledge society. In addition, within its Strategic Lines of Action 5 the following is considered: Urban Bioeconomy and Green Cities: i) Sustainable management and valorization of urban waste ii) Interurban biological corridors and iii) Urban design inspired by biological principles, processes and biological systems.
- National Sustainable Production and Consumption Policy; It was made official by Executive Decree N°41032, which aims to 'gradually adopt sustainable production and consumption patterns that contribute to the well-being of the general population and future generations, through the articulation of national planning instruments in a framework of inter-institutional and inter-sectoral coordination'.
- National Recycling Strategy (2016-2021), currently being updated. The Strategy, defined for the period 2016-2021 and it is currently being updated, aims to develop an inclusive model for integrated solid waste management in the country that allows for capacity building between the public sector, private sector and civil society. The strategy has among its following principles: i) waste hierarchy management; ii) extended producer responsibility and iii) prevention of waste generation at source.

- 2015 National Implementation Plan (NIP) of Stockholm Convention. In particular this project through its different interventions will contribute to reduce the UPOPs emissions to air linked to the mismanagement of plastics waste.
- National Decarbonization Plan 2018-2050 (DCC) and Nationally Mitigations Actions (NAMA) Waste Sector. In particular this project through its different interventions will contribute to reduce the UPOPs emissions to air linked to the mismanagement of plastics waste.
- Other national, regional, and global strategies such as the recently developed Agreement of the Principle 10 of the Rio declaration, the SDGs national implementation strategy and the OECD recommendations on chemicals and waste management.
- The results of this project's interventions will contribute to the understanding of the challenges related to Plastics management and their impact on health and the environment. This is particularly relevant in the context of UNEA 5.2's decision to initiate negotiations of an internationally legal binding instrument to end plastic pollution and to establish a science-policy panel on chemicals and waste and to prevent pollution.

The following figure shows the alternative pathway and solutions to address the three categories of immediate, intermediate, and root causes described in problem tree.

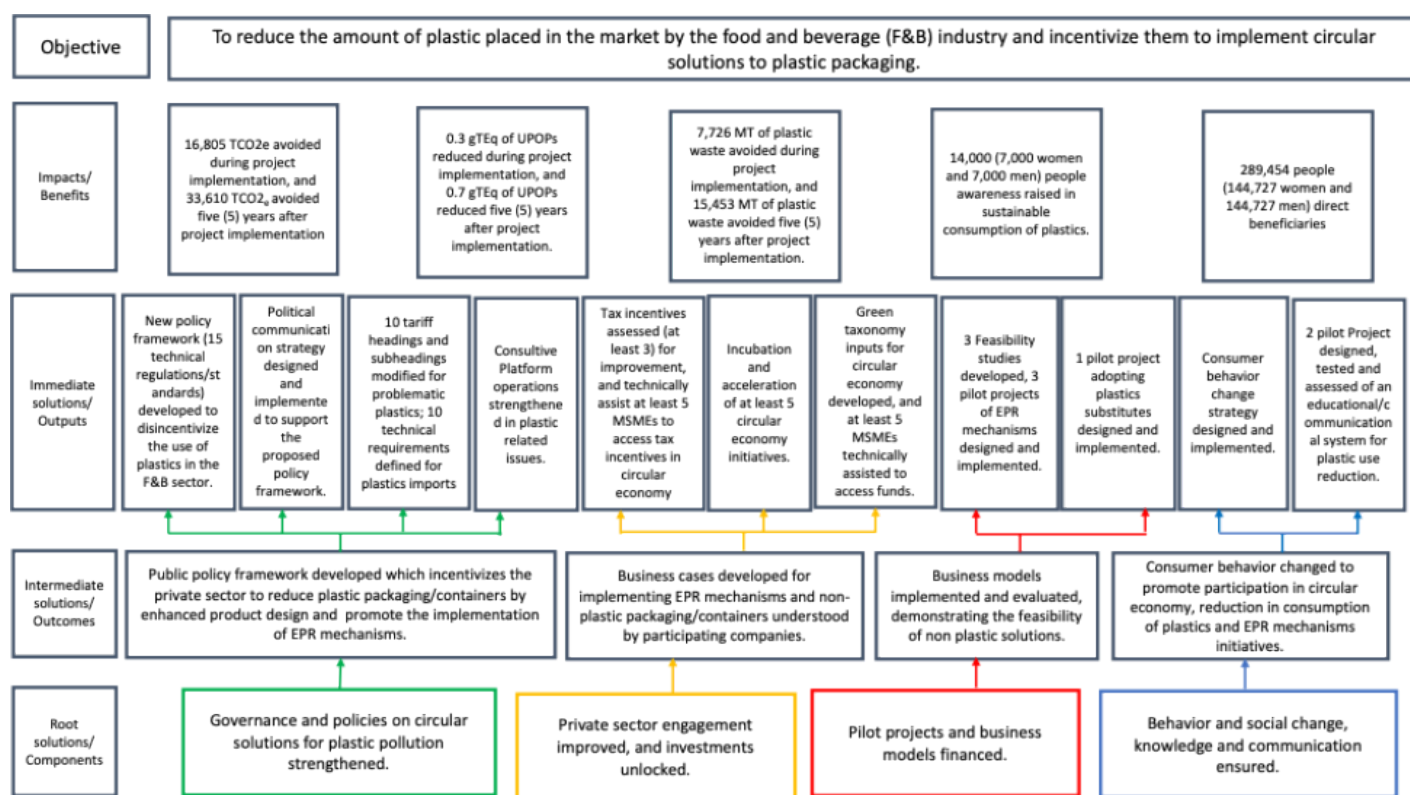


Figure 4. Theory of Change Diagram

The project, Circular Solutions to Plastic Pollution in Costa Rica is part of the Integrated Program (IP) which aims to trigger a system change to accelerate the transition towards a circular economy of plastics, with concerted actions by key stakeholders across the plastics life cycle, to end plastics pollution. The IP will focus on the food and beverage sector, specifically on single-use plastic products and packaging. The program will emphasize upstream and midstream measures to reduce plastic packaging and foster reuse systems, which is consistent with the waste hierarchy.

Aligned to the IP, the project in Costa Rica will combine interventions that aim for policy coherence, access to finance, and innovation with the establishment of new return and deposit schemes and capacity building of participating stakeholders to achieve systemic change. Specifically, the project will reduce the amount of plastic that the food and beverage industry put on the market and incentivize them to implement circular solutions to plastic packaging.

The project's approach is implemented through 4 project components, leading to 5 specific outcomes and 13 outputs which have been described in detail in Chapter IV "Results & Partnerships" and Chapter VI "Project Results Framework (PRF)".

In summary, the strategy selected to address the overall development challenge is the following:

Component 1 “Strengthening governance and policies on circular solutions for plastic pollution.” This Component through its interventions aims to develop a cohesive policy framework that incentivizes the private sector to reduce plastic packaging by enhanced product design (alternative non-plastic packaging solutions), promote re-use and refill systems including use deposit and return systems, and to participate in recycling initiatives.

Component 2 “Improving private sector engagement and unlocking investments.” This component aims to support the development of fiscal credit strategies and incentives for the implementation of deposit and return systems, non-plastic packaging and recycling initiatives, strengthening the informal recyclers inclusion.

Component 3 “Financing for pilot projects and business models.” This Component aims to improve capacity and knowledge on the Food & Beverage sector through the adoption of innovative business models demonstrating the feasibility of non-plastic solutions, as well as the adoption of deposit and return systems.

Component 4 “Behavior & social change, knowledge and communication”. This Component aims to promote consumer behavior change to participate in the reduction of consumption of plastics, be involved in circular economy and deposit return systems.

### Key assumptions

The project strategy is based on a few assumptions that will be of great importance for achieving expected changes and results. These assumptions can be found in detail in Section VI “Project Results Framework”, and the main ones can be summarized as follows:

- Costa Rica want to engage in voluntary action while the Intergovernmental Negotiation Committee (INC) process continues.
- Government of Costa Rica commits to encourage coordination among competent authorities for promoting the reduction of plastics in the food and beverage industry and incentivize the adoption of circular solutions to plastic packaging.
- Key Stakeholders provide reliable and accurate information about the volumes of plastics being placed in the market in Costa Rica, particularly within the food and beverage industry, and are willing to participate in their reduction and in their environmental sound management process.
- Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.
- The industry maintains a strong ambition to reduce plastic pollution.
- A collaborative approach to policy making that is sustained and continuously improved, integrating gender related issues across the implementation of the proposed activities.
- Collecting the lessons learnt would foster continuous improvement during the implementation phase and assisting in the development of innovative demonstration approaches and testing for other similar implementations elsewhere after the project’s completion.

### EXPECTED RESULTS

The project will ensure the proper documentation of lessons learned and knowledge products resulting from each of the project activities and making accessible for each group of stakeholders. All the information and knowledge generated by the project will be made available through the website of the Directorate of Environmental Quality Management Costa Rica (DIGECA), which hosts not only ongoing projects but also completed ones: <http://www.digeca.go.cr/proyectos-vigentes>.

## COMPONENT 1. STRENGTHENING GOVERNANCE AND POLICIES ON CIRCULAR SOLUTIONS FOR PLASTIC POLLUTION.

**OUTCOME 1:** Public policy framework developed which incentivizes the private sector to reduce plastic packaging/containers by enhanced product design and promote the implementation of EPR mechanisms.

**Outputs 1.1.** New policy framework (15 technical regulations/standards) developed to disincentivize the use of plastics in the F&B sector, ensuring gender-differentiated needs.

Through this Output the project will support the enhancement of national regulatory framework by promoting the harmonization and effective implementation of current national regulatory instruments that encourage reduction of plastic use and adoption of circularity principles, encouraging the Extended Producer Responsibility for plastics containers and packaging, build on the results of the technical standards developed by the FFEM Project “Rethinking the plastic consumption in Costa Rica: Ideas to Action.”, and design



an effective fiscal scheme to promote circular economy in plastics within the Food and Beverage sector. This Output will be developed in close coordination with the Ministry of Health **and will ensure consultations with key stakeholders, including women groups or networks. In particular, in the definition of mechanisms to make binding the standards related to EPR and protection of the informal sector, the project will ensure incorporating gender-differentiated needs that support a just transition in the sector.**

The following activities will be developed to reach Output 1.1:

a. Regulatory framework assessment: map and analyze (technically and legally) existing **national** regulatory frameworks aligned to the scope of the project, assess their implementation (including barriers) and coherence. Subsequently, define the pathway to promote their harmonization and identify any **national** regulatory gaps to be developed.

Additionally, this activity will support the development of the technical regulation of the Law 9786 “Law to tackle plastic pollution and protect the environment”.

b. Fiscal Instruments designed and proposed: in line with Output 2.1 support the draft of **the national** technical regulation to implement proposed reforms to fiscal instruments to encourage and improve the circular economy.

c. Binding Technical Standards: Define the mechanisms to make binding the following eight (8) **national** technical standards under development by the FFEM Project through the development of preliminary draft **national** technical regulations.

- Extended Producer Responsibility (EPR): # 1: Plastics Recyclability Standard. Plastics Recyclability Index; # 2. Extended Producer Responsibility Standard for Plastics.

- Shared Responsibility: # 3. Tragic Plastic Standard; # 4. Bardas Standard.

- Circular Economy: # 5. Natural fiber-based plastic substitutes standard; # 6. Labor Profile Standard for Recoverers and Recyclers; # 7. Green Employment Standard.

- Plastic Footprint: # 8. Plastic Footprint Standard.

d. Just transition support: Controls for a just transition within the **national** EPR scheme implementation, ensuring equitable consultation and inclusion of all stakeholders, including the informal sector. Facilitate the formulation of effective **national** policies to improve incomes and working conditions and protect the health and human rights of this community and its full value chain.

e. EPR for Plastics packaging/containers: support the due **national** technical justification, including environmental, economic and health studies, according to the respective **national** decree requirements, for the inclusion of plastics packaging and containers as special handling waste by decree, subject to extended producer responsibility. The required **national** decree and the technical regulation will be drafted. This activity will ensure the feedback of the results from pilot projects to be implemented under Output 3.2. Engagement and coordination with the Costa Rican Union of Chambers and Associations of the Private Entrepreneurial Sector (UCCAEP) and Costa Rican Food Industry Chamber (CACIA) will be encouraged.

f. Sustainable Public Procurement enhancement. The project will develop proposals for modification and design different **national** instruments for the integration of sustainability in public procurement related to the reduction of plastics with a circular economy approach. The project will support the inclusion of circular economy criteria in all stages of the **national** public procurement process, such as: technical specifications, preference or tie-breaker criteria for MSME suppliers, led by women, among others. It includes the development of standard specifications, basic conditions and framework agreements for prioritized products for the procurement of food and beverages. In addition, this activity will support the development of a **national** strategy for the implementation of sustainable procurement for this type of products that is gradual, progressive and flexible; and that establishes an agreed roadmap with the objective of integrating it into the State's public procurement. The establishment of coordination mechanisms, improved control and verification processes, among others, will be ensured.

**In a complementary manner and subsequent to the development of the activities listed above, the project will ensure adequate dissemination of the developed products to the relevant stakeholders in order to promote their proper and effective implementation in the country.**

**Outputs 1.2. Consultive Platform operations strengthened in plastic related issues, through the implementation of sectoral roundtables, agreements, knowledge and information exchange.**

Through this Output the project will support the Consultative Platform established by Law 8839 (or the inter-institutional mechanism that is operating). The project will strengthen its operation in plastics-related issues, with a focus on the food and beverage sector, promoting the platform as a space for dialogue, negotiation, agreement and data generation of multi-stakeholder. This activity will be implemented in close coordination with the Ministry of Health **and will ensure capacity building and sensitization for gender mainstreaming aimed at the main stakeholders.**

The following activities will be developed to reach Output 1.2:

- a. Regional intersectoral workshops promoted: Training support through regional inter-sectoral workshops on national policies aligned with the project's objective, with a focus on plastics.
- b. Fiscal instruments strategy consulted: assessment and recommendations resulted from the Output 2.1 will be consulted within the platform with key stakeholders for review and agreement on the fiscal instruments scheme.
- c. Plastics Roundtable: this activity will provide continuity and ensure institutionalization of different sectoral dialogue roundtables towards circularity established by the FFEM Project, as a negotiating and agreement table, for knowledge exchange, information exchange and documentation, data generation, dialogue spaces, etc. The participation of competent public bodies, private sector, research institutes, academia, and CSO will be ensured.
- d. Development of suppliers related to the circular economy. The project will through the plastics roundtables will promote the generation of knowledge and the observance of principles and guidelines for sustainable public procurement. It will also promote due diligence and the strengthening of a market aligned with the circular economy objective in its own supply chain.

**Output 1.3. Strategy to reduce the imports and exports of problematic plastics designed (10 tariff headings and subheadings modified for problematic plastics; 10 technical requirements defined for plastics imports).**

Through this Output the project aims to strengthen the control of imports and exports of plastics resins and products for the food and beverage sector and define a strategy and action plan to promote the reduction of problematic plastics. This activity will be developed in close coordination with the General Directorate of Customs.

The following activities will be developed to reach Output 1.3:

- a. Imports/Exports assessment: Analyze the nature of imports and exports of plastic resins and products containing plastics from the food and beverage sector. Identify importers, exporters, volumes, and types of plastics and resins. For a first assessment of the imports and exports, the project will use the problematic plastics criteria established under the best available methodology at the time, per example the one established by the “Nordic Council of Ministers”<sup>[1]</sup><sup>6</sup>. Subsequently the project will support the criteria definition at national level and prioritize the different types of plastics to promote their reduction and/or their banning.
- b. Tariff codes definition: this activity will support the identification of what should be modified (e.g. the tariff headings and subheadings) for a possible restriction and/or substitution of products containing plastics, including the incorporation of specifications at the complementary and supplementary code level; analysis of economic scenarios including the cost benefit and the costs of inaction, fiscal impact and propose resolution for its implementation.
- c. Technical requirement definition: In line with the Output 2.1, the project will support the review and the definition of the technical requirements that must be met for their imports (tariff measures) with their respective analysis of their potential contribution to the reduction of plastic pollution and the fiscal impact of the tax waiver.

**Output 1.4. Political communication strategy designed and implemented to support the proposed policy framework.**

Through this Output the project will ensure the engagement and the provision of appropriate technical advice to the legislative and executive power to support the enhancement of the national regulatory framework developed in Output 1.1, within the framework of negotiations for the development of an international legal binding instrument to end plastic pollution.

The following activities will be developed to reach Output 1.4:

- a. Political communication campaign strategy: Define and design the political communication strategy that through the involvement of the different opinion-forming groups of society will reach the executive and legislative powers (taking into consideration the particularities of each of them), so that they will finally give their support for the different improvements to the regulatory framework proposed in Output 1.1 **The strategy will include the Development of communications products on the benefits of the policy framework for women, especially MSMEs and the informal sector.**

It is of great relevance that this strategy is framed in the current context of the negotiations being carried out at the international level for the development of an international legal binding instrument to end plastic pollution.

- b. Strategy Implementation plan developed: this activity will support the development of the plan for implementing the previous defined political communication strategy as well as support its implementation.

**COMPONENT 2. IMPROVING PRIVATE SECTOR ENGAGEMENT AND UNLOCKING INVESTMENTS.**

**OUTCOME 2:** Business cases developed for implementing EPR mechanisms and non-plastic packaging/containers understood by participating companies.



**Output 2.1. Tax incentives assessed (at least 3) for improvement, related to economic activities for the production or import of packaging/containers from circular solutions for plastic reduction in F&B, and technically assist at least 5 MSMEs to access tax incentives , with focus on those led by young people and women.**

The project will support the evaluation of the implementation and impact of existing tax incentives related to the circular economy to reduce the plastic footprint in the Food and Beverage sector, both at the national and local level. Based on this technical assessment, areas for improvement or simplification will be identified through secondary legal regulations to strengthen the effective implementation of the existing legal framework (e.g. Law for the Strengthening of Public Finances No. 9635). This activity will be implemented in coordination with the Ministry of Finance of Costa Rica.

Likewise, it will seek to disseminate and strengthen the capacities of companies, MSMEs and associations, especially those led by young people and women, so that they can benefit from tax benefits.

The following activities will be developed to reach Output 2.1:

- a. Identification and evaluation of existing domestic tax incentives for business models based on circular economy in the plastics value chain, both nationally and locally. The project will support the technical evaluation of the implementation of the current tax breaks related to the aforementioned economic activities with the objective of improving their implementation and that the beneficiaries make effective use of them. **The evaluation will include gap analysis of access to fiscal and non-fiscal incentives for MSMEs led by women to finance ventures.**
- b. Identification and evaluation of tax incentives for foreign trade related to sustainable or plastic-free packaging or products that come from the recovery (recycling) of plastics. Based on the technical evaluation carried out, modifications to the tariff rates will be proposed, **including gender considerations**, with their respective analysis of their potential contribution to the reduction of plastic pollution and the fiscal impact of the revenue foregone.
- c. Development of a dissemination and capacity building strategy for the use of tax incentives related to business models based on circular economy in the plastics value chain. Based on the identification of the main barriers and improvements in secondary regulations for the effective use of existing tax incentives, a dissemination and capacity building strategy will be developed so that potential beneficiaries of these incentives can apply for them.

**Output 2.2. Promote the incubation and acceleration of at least five (5) circular economy initiatives in the private sector, with focus on those led by young people and women.**

The project will support the development and implementation of a Competitive Fund for circular economy initiatives, with emphasis on those led by young people and women, that seek to reduce the plastic footprint in the food and beverage sector in Costa Rica. This activity will be implemented in coordination with the Ministry of Economy, Industry and Commerce (MEIC). The project will select and allocate funds of up to USD 50,000 to at least 5 initiatives.

As identified in Risk 6, the Competitive Fund Mechanism will incorporate SES criteria during the selection process including assessment of sites of these activities. Once the activities have been selected, an environmental and social screening will be undertaken to determine the level of assessment/management needed, if any. If Moderate risks are identified, then a targeted assessment and an Environmental and Social Management Plan (ESMP) will be needed for that activity. The project will eliminate activities with Substantial or High Risks.

In addition, as identified in Risk 7, the environmental and social screening process will also include the level of assessment / management measures needed of working conditions.

The following activities will be developed to reach Output 2.2:

- a. Design and implementation of a Competitive Fund for initiatives that develop circular solutions related to plastic in the food and beverage sector. The project will design and implement a competitive fund through the establishment of a competitive and transparent process to finance initiatives (with upstream and midstream focus, excluding waste management/recycling solutions) that promote technological innovation and circular solutions to reduce plastic in the food and beverage sector, among the criteria to be included in its design is that MSMEs will be prioritized, especially those led by young people and women. The design should include at least the criteria for the selection and evaluation of proposals, the formats for the presentation of proposals, the processes to be followed, calls for proposals, monitoring and evaluation systems, among others. A strategy for the dissemination of the Competitive Fund must also be developed. As a result of the evaluation process, at least 5 initiatives will be selected to receive support from the Project (up to USD 50,000 each). Among the selected initiatives, at least 1 must support an organization with a focus on gender/groups or MSMEs led by women.
- b. Development of a sustainability and replicability strategy for the projects or initiatives financed. The project will design a sustainability strategy for these undertakings to continue once the project has ended. Likewise, it will seek to promote their replicability.

**Output 2.3** Green taxonomy inputs for the circular economy of plastics in the F&B sector developed. Financial capacity built for companies and at least 5 MSMEs technically assisted to access funds destined to the implementation of circular solutions to plastics in the F&B sector.

The project will promote through financial institutions the granting of credit for activities, assets or projects related to the circular economy through support in the construction of the Green Taxonomy being developed by the General Superintendence of Financial Institutions of Costa Rica, which will establish sectors and activities that contribute substantially to the objective of promoting the circular economy and that do not substantially harm other environmental and social objectives; as well as for the establishment of eligibility criteria and metrics.

The Project will strengthen the circular economy capacities of the prioritized financial institutions so that they can develop or modify their financial products for economic sectors related to the plastics value chain within the Food and Beverage sector.

In addition, support will be provided to generate capacities and financial education so that prioritized companies and associations (mainly MSMEs and those companies/associations led by women) can develop bankable circular economy projects (waste management/recycling projects are out of the scope of this activity) that facilitate their access to credit, in order to reduce their gaps in access to formal financing. Gender gaps will be considered, as well as the informality of waste pickers, in order to strengthen capacities in the development of adequate financing to ensure equitable access. This activity will be implemented in coordination with the Ministry of Labor and Social Welfare.

The following activities will be developed to reach Output 2.3:

- a. Support the development of the green taxonomy related to the circular economy objective. The taxonomy will seek to establish a classification system that identifies in a clear, objective and science-based manner, activities, assets and/or categories of projects that contribute substantially to the circular economy objective related to the plastics value chain within the Food and Beverage sector. Regarding the determination of the eligibility or not of an economic activity, asset or project, the project will support the definition of technical evaluation criteria, such as those related to what is considered a substantial positive contribution to the circular economy objective and of no substantive harm to other environmental and social objectives. Criteria may be quantitative (metrics and thresholds) and qualitative. This activity will be implemented in coordination with the General Superintendency of Financial Institutions (SUGEF). In addition, this activity will be carried out in close coordination with the development of the Green Taxonomy that UNDP is supporting, within the UNDP Sustainable Finance Hub.
- b. Analyze the supply and demand for credit related to circular solutions for the reduction of waste associated with plastic pollution: The project will support the identification and analysis of the current supply of financial products offered by Costa Rican financial institutions related to the promotion of the circular economy, with emphasis on the food and beverage sector. It will also analyze the demand and access barriers (informality, demonstrating income, disproportionate guarantees, lack of financial education, etc.) to this type of financing for companies (including MSMEs and those led by women) and women's associations that implement circular solutions to reduce waste associated with plastic pollution in the food and beverage sector.
- c. Financial capacity building for companies, MSMEs and associations to access credit to reduce waste associated with plastic pollution in the food and beverage sector. To facilitate access to funds to implement initiatives or projects that apply the ERP system or apply solutions with substitute materials, the project will develop a training strategy (training of trainers, workshops, etc.) so that these change managers can present bankable projects to financial institutions, including financial flows, credit forms, due diligence, compliance with regulations, among others. Through this activity at least 5 enterprises will be technically assisted to access funds destined to the implementation of circular solutions to plastics within the Food and Beverage sector.

### COMPONENT 3: FINANCING FOR PILOT PROJECTS AND BUSINESS MODELS

**OUTCOME 3:** Business models implemented and evaluated, demonstrating the feasibility of non-plastic solutions.

**Output 3.1.** Three (3) feasibility studies developed for the implementation of EPR mechanisms and non-plastic packaging solutions tested in Output 3.2 and 3.3.

Through this Output the project will support the feasibility studies for the effective implementation of EPR schemes as well as plastic packaging substitutions tested within Outputs 3.2 and 3.3.

The following activities will be developed to reach Output 3.1:

- a. Feasibility studies: this activity will support the development of the required feasibility studies for each of the demonstration activities to be developed and implemented within the Output 3.2 and Output 3.3. The feasibility study will include technical and economic aspects of the business models being designed.

**Output 3.2.** Three (3) pilot projects of EPR mechanisms designed and implemented, encouraging women/women-led MSMEs participation.

Through this Output the project will support pilot projects aiming at evidence technical and economic feasibility of the implementation of Extended Producer Responsibility (EPR) Mechanisms. The implementation of three pilot projects will be supported: a) Voluntary Extended Producer Responsibility (EPR) pilot, to involve and impact all value chain (upstream and downstream), for F&B plastic packaging; b) Reuse-Refill pilots of F&B plastic containers in small retailers (e.g. *pulperías*) and in fast food chains; and Plastic waste reduction through deposit-return scheme for bottles/containers of different brands or producers. **This activity will promote the incorporation of women and/or women-led MSMEs in pilot projects.**

As identified in Risk 6, each pilot project will undertake a targeted assessment of associated occupational health and safety. The assessment will also include conducting a due diligence to all enterprises participating in the pilot activities to assess working conditions within these facilities. This will result in an ESMP to which enterprises will commit during pilot implementation activities. Workers will be trained during the implementation of demonstration activities and provided with appropriate personal protective equipment suitable for their duties.

The following activities will be developed to reach Output 3.2:

### 3.2.1 Voluntary Extended Producer Responsibility (EPR) pilot, to involve and impact all value chain (upstream and downstream), for F&B plastic packaging, designed, implemented and assessed.

#### a. Pilot and conditions design:

- Description and assessment of (a) full value chain of one packaging product.
- Goal, workplan, Outcomes.
- Defining the roles and responsibilities of each actor: producers; waste pickers; collection depots; plastic; recycling companies; P2F companies; consumers/people.
- Designing the EPR pilot fund/budget
- Defining the roles of PROs (Unidades de cumplimiento); Developing operational guidelines.

#### b. Pilot implementation: To develop and implement the EPR pilot the following activities should be considered:

- Select a “low hanging fruit” products for which is easier to introduce EPR.
- Engage the third party (e.g. PRO), when and if relevant, for 1) managing voluntary contributions by the private sector for ecodesign, collection and recycling, and 2) engagement and integration of the informal sector, if necessary, 3) coordinate activities between private sector, the government(s), informal waste sector, and recyclers
- Test approaches to engage the informal waste sector to provide regular and improved income, to improve their working conditions in a specific site and to build their capacity through trainings and professionalization.
- Implement the Pilot activities, including Reuse-refill, deposit-return and substitution (through Ecodesign)

#### c. Operative steps

- Analyse and define the most appropriate geographic and demographic selection for the implementation of the demonstration activity.
- Identify and contract an implementation unit (either an NGO or a consultancy) as PRO.
- Implement the proposed model in an iterative way, i.e. testing the design and feedback in order to adjust it for better operation.
- Monitor and measure the model results, both in an economic and in a technical way.
- Feedback on the results of iterative implementation, review the design of the scheme and document partial and final results.
- Based on final results, design the replication strategy.

3.2.2 Reuse-Refill pilots of F&B plastic containers in small retailers (e.g. *pulperías*) and/or in fast food chains, in urban area, with business model, designed, implemented and assessed.

a. Pilot and conditions design:

- Scope: Refilling Services (voluntary) to be implemented by large and/or medium size companies, through small retailers and fast-food chain, which are to be responsible of containers logistics and cleaning and management.
- Targets: Set reusing/ refilling targets: by percentage. Monitor positive effects on the small retailers/fast food chain development and reduced costs of SWM services.
- SUPs/Resins: Bottles Food and beverage: PET + HDPE, PP
- Other Stakeholders: Brands (to be defined), fast food chain (1)
- Other Tools: i) Information provided to consumers and/or producers to support the implementation of EPR, ii) Multistakeholder dialogues for better adaptation; iii) PRO
- Requirements/Needs: i) Stakeholders Coordination system; ii) End of life management (eventually); iii) Economic incentives for consumers

b. Pilot implementation: to develop and implement the Reuse-refill pilot the following activities should be considered:

- Select a “low hanging fruit” products for which is easier to introduce.
- Engage the third party (e.g. PRO), when and if relevant, for 1) managing voluntary contributions by the private sector for ecodesign, collection and recycling, and 2) coordinate activities between private sector, the government(s).

c. Operative steps

- Conduct an assessment of small retailers (mainly linked to the socio-economic sectors) documenting their business models through the analysis of a representative sampling.
- Based on the assessment, design accurate proposals which will include a business model for plastic reduction for each of the types of small retailers. The following will be considered: Bulk dispensers, Refillable bottles, collection chain for plastic bottles and other containers + reverse logistics.
- Analyse and define the most appropriate geographic and demographic selection for the implementation of the demonstration activity.
- Identify and contract an implementation unit (either an NGO or a consultancy) as PRO.
- Implement the proposed model in an iterative way, i.e. testing the design and feedback in order to adjust it for better operation.
- Monitor and measure the model results, both in an economic and in a technical way.
- Feedback on the results of iterative implementation, review the design of the scheme and document partial and final results.
- Develop Feasibility study
- Develop Business model
- Based on final results, design the replication strategy, if sensible.

3.2.3 Plastic waste reduction through deposit-return scheme for bottles/containers of different brands or producers.

a. Pilot and conditions design:

- Scope: Voluntary Deposit-Refund to be implemented by large or medium size beverage and food products' companies, through supermarket (chain) or other collection points, through automated or hand operated system. Apply not only to plastic but other eco-friendly materials.
- Targets: Set targets: by percentage. Monitor positive effects on SME development and reduced costs of SWM services.
- SUPs/Resins: Bottles -Drinks, (18% by weight of SUP): PET + HDPE
- Stakeholders: Beer producers, other beverages producers, supermarkets or other retailers, and SMEs specialized deposit-refund systems' manufacturers.
- Other Tools: i) Information provided to consumers; ii) Training provided to producers and supermarkets or other retailers to support the implementation of EPR; iii) Multistakeholder dialogues for better adaptation, work towards standardized bottles and containers within neighboring countries; iv) PRO; v) Incentives for consumers to use the system (make it convenient!)

b. Pilot implementation: To develop and implement the Deposit-return pilot the following activities should be considered:

- Select a "low hanging fruit" products for which is easier to introduce.
- Engage the third party (e.g. PRO), when and if relevant, for 1) managing voluntary contributions by the private sector for collection and reuse and (eventually) recycling (and ecodesign), and 2) coordinate activities between private sector and the government(s).

c. Operative steps

- Conduct an assessment of large retailers documenting their business models.
- Based on the assessment, design accurate proposals for Food and beverage brands: The following will be considered: automated collection and hand collection.
- Analyse and define the most appropriate geographic and demographic selection for the implementation of the demonstration activity (Urban area).
- Identify and contract an implementation unit (either an NGO or a consultancy) as PRO.
- Implement the proposed model in an iterative way, i.e. testing the design and feedback in order to adjust it for better operation.
- Monitor and measure the model results, both in an economic and in a technical way.
- Feedback on the results of iterative implementation, review the design of the scheme and document partial and final results.
- Develop Feasibility study
- Develop Business model
- Based on final results, design the replication strategy, if sensible.

### **Output 3.3. One pilot project adopting plastics substitutes designed and implemented, encouraging women participation.**

Through this Output the project will support the implementation of a pilot project that will support the reduction of plastic in bottles/containers/packaging through the adoption of plastics substitutes such as "compostable materials". This activity will ensure to work in close coordination with the research being developed within the GEF/UNDP Project "Strengthening the national capacity for the management of Persistent Organic Pollutants (POPs) in Costa Rica." and the National Technical University (UTN). **This activity will encourage the participation of women and/or women-led MSMEs in the pilot project.**

As identified in Risk 6, each pilot project will undertake a targeted assessment of associated occupational health and safety. The assessment will also include conducting a due diligence to all enterprises participating in the pilot activities to assess working conditions within these facilities. This will result in an ESMP to which enterprises will commit during pilot implementation activities.

Workers will be trained during the implementation of demonstration activities and provided with appropriate personal protective equipment suitable for their duties.

The following activities will be developed to reach Output 3.3:

a. Pilot and conditions design:

- Scope: Substitution of plastic containers by similar-to-plastic compostable material or other material, to be implemented by food and beverage companies in collaboration with containers manufacturers.
- Targets: Set substitution targets: by percentage. Monitor positive effects on the retailer's development.
- SUPs/Resins: Bottles Food and beverage: PET + HDPE, PP
- Other Stakeholders: Brands, Retailers, containers manufacturers.
- Other Tools: i) Information provided to consumers and/or producers to support the implementation of EPR; ii) Multistakeholder dialogues for better adaptation; iii) PRO.
- Requirements/Needs: i) Stakeholders Coordination system; ii) End of life management (eventually); iii) Economic incentives for consumers.

b. Implement the Pilot: To develop and implement the Substitution pilot the following should be considered:

- Select a "low hanging fruit" products for which is easier to introduce.
- Engage the third party (e.g. PRO), when and if relevant, for 1) managing voluntary contributions by the private sector for eco-design, collection and end-of-life, and 2) coordinate activities between private sector, the government(s).

c. Operative steps:

- Design accurate proposals which will include a business model for plastic substitution for the type of container. The following other material will be considered: glass, metal, other natural fibre and plastic-like material which is biodegradable.
- Define the most appropriate product and facility selection for the implementation of the demonstration activity.
- Implement the proposed substitute material introduction.
- Monitor and measure the substitute product results, both in an economic and in a technical way.
- Feedback on the results of iterative implementation, review the design of the scheme and document partial and final results.
- Develop Feasibility study
- Develop Business model
- Based on final results, design the replication strategy, if needed.

#### Component 4. BEHAVIOR & SOCIAL CHANGE, KNOWLEDGE, AND COMMUNICATION

**OUTCOME 4:** Consumer behavior changed to promote participation in circular economy, reduction in consumption of plastics and EPR mechanisms initiatives.

**Output 4.1.** Consumer Behavior change strategy designed and implemented, considering gender-differentiated consumption patterns.

Through this Output the project will support a consumer behavior change strategy in the food and beverage sector aligned to circular economy principles.

The following activities will be developed to reach Output 4.1:

#### a. Pilot conditions design:

- Scope: Design and implement a behavioral change strategy aimed at the territories where the 4 pilots of Component 3 will be implemented, which allow mediating the effectiveness of behavioral changes in the consumer. This activity complements each pilot, to influence the consumer's decision to purchase the products resulting from the pilots. The project is focused on developing a behavioral change strategy to influence people's attitudes and habits regarding food and beverage consumption, with the aim of promoting more sustainable behaviors aligned with the principles of the circular economy. This strategy will be based on principles of psychology and behavioral sciences to understand how people make decisions and how they can be motivated to change their actions.
- Targets: Guide the conscious consumer choice towards adopting circular economy criteria in product selection.
- SUPs/Resins: Focus on bottles used for food and beverage packaging, considering various materials such as PET, HDPE, PP, and exploring alternatives to plastic.
- Stakeholders: Engage stakeholders at various levels, including the food and beverage industry, distribution points, consumers, regulatory bodies, and relevant government agencies.
- Requirements/Needs: Coordinated management between the implementation of the pilots and the adoption of solutions through behavioral change by consumers
- Identify and address the needs for eventual end-of-life management, economic incentives for consumers, and regulatory compliance.

#### b. Pilot implementation:

- Select appropriate distribution points and regions for the nationwide pilot, according to each of the four pilots.
- Collaborate with key industry players, retailers, and government agencies for a unified approach.
- Implement circularity-focused marketing and promotional campaigns, and other related activities, to encourage consumer participation.
- Develop communication materials that highlight the benefits of circular products and behavioral changes.

#### c. Operative Steps:

- Identification of target behaviors: Identify specific behaviors related to food and beverage consumption that we want to change to promote sustainability and the circular economy.
- Understanding of influencing factors: Analyze factors influencing these behaviors, such as beliefs, values, incentives, and perceived barriers.
- Design of specific interventions: Develop interventions tailored to the target behaviors and identified influencing factors, using techniques proven in behavioral psychology and behavioral change.
- Effective implementation: Implement our interventions effectively, ensuring we reach the target audience in a relevant and persuasive manner.
- Improvement iterations: Measure the progress and impact of our interventions, adjusting our strategy as necessary to improve outcomes.

**Output 4.2.** Two (2) pilot project designed, tested and assessed of an educational/communicational system, with a gender perspective, for plastic use reduction.

Through this Output the project will support the design, test and assessment of an educational/communicational system for plastic used reduction and support circular economy.



The following activities will be developed to reach Output 4.2:

a. Pilot and conditions design.

- Scope: Design, develop, test and assess an educational/communicational system for plastic use reduction at municipality scale: one in the urban area and other in rural or coastal/touristic area. This pilot to be developed jointly with Pilot in Output 3.2.2)
- Targets: Assess plastic use reduction as an outcome of the educational/communicational system.
- SUPs/Resins: Bottles Food and beverage: PET + HDPE, PP
- Stakeholders: Schools (different grades), Education ministry, municipal authorities.
- Requirements/Needs: i) Stakeholders Coordination system; ii) End of life management (eventually); iii) Economic incentives for consumers

b. Pilot implementation: To develop and implement the educational/communicational pilot the following should be considered:

- Select a municipality and in there, 10 to 20 schools (or training centers) for which implementation is easier to introduce.
- Train the teachers/professors in the 10 chosen schools (or training centers)
- Train the municipal officers
- Engage a third party (e.g. CSO), when and if relevant, for 1) designing and operating the educational system; and 2) coordinate activities between ministry of Education, the municipal government, and the neighbours.

c. Operative steps

- Design the educational/communicational system, with scope, depth of contents, extension, communication materials, guidelines, methodology to present it, etc.;
- Implement the system iteratively.
- Monitor and measure the system's results, as from the effects on the plastic use reduction, as part of Pilot within Output 3.2.2).
- Feedback on the results of iterative implementation, review the design of the scheme and document partial and final results.
- Develop Feasibility study.
- Based on results, design the replication strategy.

**Output 4.3.** Five (5) participations in the IP Annual Conferences, at least thirty (30) virtual events/working groups organized by the Global Team attended, and at least five (5) knowledge products/lessons learned shared at IP level.

Through this Output the project will support the activities for participation and coordination with the IP.

The following activities will be developed to reach Output 4.3:

1. Translation services for Global Platform Assets

a. Key knowledge products and communication products that will be added to the Global Platform are shared in English, so please budget any translation services needed for this. The Global Platform will then translate into additional languages as needed.

2. Participation in the IP Annual Conference

- Once a year for five years (start 2025)
- Minimum four staff, including communications lead.



- days of meetings and field visits and side meetings, plus travel days (Approximately 6 days of travel total including travel days)
  - Airfare
  - Accommodation
  - Off-hours meals (Global Project to provide venue and catering for lunch each day)
3. Participation in virtual events and working groups organized by the Global Team
- a. 1-2 90 minute virtual learning/ discussion / support sessions per month
    - i. May require attendance by executing agency and / or executing partners to be most effective.
  - b. Staff time to apply assets created by Global Team to National Project planning / adapt to local context and integrate into strategy and tactics.
  - c. Staff time to engage with the Global Private Sector Collaboration Group
    - i. Virtual meetings quarterly
    - ii. 1x1 engagement time to build collaborations and access in-kind expertise
  - d. Advisory Committee Meetings - The Global Project will organize an advisory committee to meet quarterly, and would like 2-3 National Project leads to serve on the committee, to be rotated every two years throughout the IP
  - e. Working Group Participation
    - i. Working groups by topic as relevant to National Projects (e.g. Reuse systems, alternative materials, extended producer responsibility)
    - ii. Monthly virtual meetings - 90 minutes
    - iii. Support and contribution to the working group - 2 hours / month prep for meetings, review materials, apply materials to national contexts etc.
4. Expert input into design and implementation
- a. Time to consult with the Global Team and Global Executing Partners on technical topics as relevant for each National Project for the purposes of:
    - i. Design input
    - ii. Implementation best practices
    - iii. Issue resolution
    - iv. Surfacing common issues for discussion
  - b. Time to prepare materials (e.g. documents, presentations) for consultation sessions
5. Self-organized regional meetings, events, workshops, and working groups
- a. Optional - if regional cooperation on specific topics or on overall design and execution is desired
  - b. Optional - coordination amongst Child Projects such as twinning or south-south learning opportunities
  - c. This could include: Organizing meetings, Staff travel, attendance of virtual events, additional working group time.

## 6. Connection with “cousin” projects and other IPs

- a. Time to attend relevant events organized by initiatives outside the IP
- b. Minimum 2 virtual sessions per year

## 7. Communications Alignment

- a. Communication specialist’s time to liaise with Global Team communications staff
- b. Align on and implement communications guidelines into National Project communications plan
- c. Translation of website content into local language; Global Coordination Project’s static website content will provide translation into multiple languages
- d. Contribution of national project knowledge products and communications products to the website
- e. Communication specialist’s time to provide inputs to communication products being developed by the Global Platform

## 8. Private Sector Engagement Alignment

- a. Time to liaise with Global Team communications staff
- b. Align on and implement Private Sector Engagement Guidelines and Principles
- c. Fulfill due diligence requirements for Private Sector Engagement

## 9. Reporting - M&E

- a. Time and assets to contribute to required reporting of the IP (e.g. annual report)
- b. M&E kickoff meeting
- c. Quarterly reports
- d. Mid-term Evaluation
- e. Terminal Evaluation

## 10. Knowledge Management and Sharing

- a. Sharing challenges and successes with broader IP (through virtual meetings and online forum)
- b. Contributing to broader community via knowledge sharing with relevant external fora (e.g. participation in events, panels, conferences, contributing to external websites etc.)

## 11. Additional events, participation as needed (to be updated as the IP advances)

### Implementing Agencies (participation in IP)

1. Steering Committee Meetings - UNEP, WWF, UNDP and UNIDO will all have one representative on the Steering Committee for the IP (along with the GEF Secretariat). Meetings will be quarterly and will all be virtual except for 1 yearly meeting to be co-located with the Annual Conference.

### 2. Participation in IP Annual Conference

### 3. Time to support reporting

### 4. Time to support coordination with National Child Projects

## 5. Additional activities upon request.

### Monitoring and Evaluation (M&E).

OUTCOME 5. M&E and adaptive management applied to assess activity performance and GEB impact.

**Output 5.1.** Inception Workshop organized; Monitoring of indicators in project results framework; Independent Mid-term Review (MTR); and Terminal Evaluation (TE) carried out.

The project results as outlined in the Project Results Framework, will be monitored periodically during implementation to ensure that the project effectively achieves its results. The results of the monitoring will be reported in an intermediate and final evaluation and the lessons learned captured will be integrated in the project through adaptive feedback management. Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the [UNDP POPP](#) and [UNDP Evaluation Policy](#).

As a standard practice for every UNDP project, continuous monitoring of FSP results and achievements will be ensured, while the application of adaptive management of the project after conclusion of the Mid-Term Review (MTR) will be warranted. The Project Management Unit (PMU) will design the project's M&E system and be responsible for implementing the project's M&E Plan (see Section VI below), including the Project's Inception Workshop, annual planning workshops and Project Implementation Reports (PIRs). During the implementation the review and reporting of the GAP and relevant gender dimensions of the project will be included in the PIRs, MTR and TE.

The following activities will be implemented to achieve Output E2:

- a) Development of Project's Inception Workshop.
- b) Monitoring:
  - i) Project Results Framework (outcome indicators, GEF Core Indicators, baseline and annual target indicators).
  - ii) Project Risk Matrix, Environmental and Social Framework/Social Environmental Screening Procedures (ESMF/SESP), SESA, the Gender Analysis and Action Plan, and the Stakeholder Engagement Plan.
- c) Holding Project Steering Meetings.
- d) Carrying out "Mid-Term Review" (MTR): The MTR will be carried out after the second submission of the PIR; it will assess the progress of each project activity and attainment of the project's indicators presented in the Project Results Framework (Section V of the ProDoc) and Multiyear Work Plan (Annex 4). This review will also consider one Gender Assessment of project impact completed as part of MTR and the disbursement of financial resources and co-financing provided by project partners, and it will monitor and assess administrative aspects for the execution of the project. The MTR will also inform the adaptive management of the project and improve its implementation as a remainder of the project's duration.
- e) Carrying out Terminal Evaluation (TE): The TE aims to evaluate whether all planned project activities have been developed, resources granted by the GEF have been disbursed and spent in line with GEF and UNDP policies and rules, following activities as set out in this Project Document. The TE will also extract and identify lessons learned, how to disseminate them most efficiently and make recommendations to ensure that project results are sustainable.

#### Partnerships:

This FSP needs to engage a variety of stakeholders not only from the public sector but also from the private sector in order to achieve the planned outputs and outcomes. The following table summarizes the actors that the project will need to involve and describes their responsibilities in project's implementation as well as their contributions to addressing the development challenge:

Table 7: Partnerships of the FSP.

Type	Group	Stakeholder	Role
Public Entities	National Government	Ministry of Environment and Energy (MINAE)	MINAE is designated as the institution responsible for coordinating the establishment of policies and actions to protect air, water, soil, and energy resources, in order to have an entity to assume these priority tasks within the process of environmental management of the country. The DIGECA is the department in charge of the fulfillment of this mandate by the MINAE.
		<i>Directorate for Environmental Quality Management (DIGECA)</i>	DIGECA will be the focal point for the Costa Rican government during the execution of the project. It actively participates in the preparation, presentation, and implementation of the project, being part of the steering committee. It will also be the coordinator and communication channel of the project with the other public institutions.
		Ministry of Economy, Industry and Commerce	The Ministry of Economy, Industry and Commerce is on charge of the developing and executing the Government's policies concerning national trade and industry. It coordinates the consulting and implementing of the policies with the different commerce, producers & industrial chambers promoting the competitiveness and sustainability of the sector.  It will contribute as a source of information and channel of communication with the different sectors under the scope of the project and support the drafting of any legal instrument identified by the project.

		Ministry of Finance	The Ministry of Finance is the governing institution for fiscal policy, ensuring the collection and allocation of public resources.
		<i>General Directorate of Taxation</i>  <i>General Directorate of Customs</i>	<p>Through its General Tax Administration promotes tax compliance and is responsible for the management of domestic taxes.</p> <p>Also, through its General Directorate of Customs is responsible for obtaining a timely and effective control of the import and export of goods to the national territory, protecting the interests of the community such as health, safety, and the environment.</p> <p>The Ministry of Finance can assess, modify, or design fiscal instruments to promote the reduction of plastic use in the food and beverage sector. It will contribute as a source of information and will support the activities linked to the strengthening of exports and imports control.</p>
		Ministry of Health  <i>Radiological Protection Directorate</i>  <i>Directorate of Environmental Health</i>	<p>It is the governing body by law and is responsible for the creation of public policies, National Strategies, laws, and regulations on integrated solid waste management.</p> <p>It will be member of the Steering Committee and is the official data generator on solid waste management in the country. It will support the implementation of activities linked to the waste management.</p>

	Other Public Institutions	Institute of Technical Standards of Costa Rica (INTECO)	<p>INTECO is the Technical Standards Institute of Costa Rica; a private, non-profit association, created in 1987. It is recognized, by law #8279, as the National Standardization Entity and has the declaration of public utility for the interests of the State. It is the representative of Costa Rica with the international and regional organizations of standardization ISO, IEC, COPANT.</p> <p>It will participate in the development of technical guidelines and standards under the scope of the project.</p>
	Local Government	National Union Local Governments	<p>Since 1977, it is the organization that represents local governments, in different commissions and boards of directors, such as the consultative platform on solid waste, and the commission for contaminated sites. It is the channel of communication with local governments. It is the creator of the national network of municipal environmental technicians.</p> <p>It will be the channel of communication and coordination with local governments for the implementation of activities under the scope of the project, mainly in pilot sites implementation.</p>
		Institute of Promotion and Municipal Advice IFAM	<p>Institute that advises and promotes the sustainable development of municipal governments.</p> <p>It will be source of information for the project and channel of communication with the municipal governments for the implementation of activities, mainly in pilot sites implementation.</p>

International Organizations	Cooperation Agencies	United Nations Development Programme (UNDP)	<p>UNDP is accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services, and for the Project Assurance role of the Project Board/Steering Committee.</p> <p>UNDP and its Costa Rica Country Office have extensive experience working with the private sector, governmental institutions, and civil society.</p>
Civil Society Organizations	Industrial Associations	Costa Rican Union of Chambers and Associations of the Private Business Sector (UCCAEP)	<p>Organization that brings together more than 40 chambers and business associations in the country.</p> <p>It will serve as the communication channel with the private sector in general to disseminate the scope of the project, coordinate actions, and share knowledge and lessons learned of the project.</p>
		Chamber of Industry and Commerce	<p>Since 1943, it has been the institution that represents and unites companies in the country's industrial sector.</p> <p>It will serve as the communication channel with the industrial sector of the country to disseminate the scope of the project, coordinate actions, and share knowledge and lessons learned of the project.</p>

		Costa Rican Chamber of the Plastics Industry (ACIPLAST)	<p>Established in 1971, it is a non-profit private trade organization that represents the plastics industry sector.</p> <p>This organization is oriented towards the search for continuous improvement and strengthening of the competitive positioning of the companies in the plastics industrial sector. Likewise, it handles representation before governmental entities to coordinate major national issues related to the sector.</p> <p>It will contribute as source of information and partner and coordination channel in the implementation of activities related to plastic waste management under Component 3.</p>
		Costa Rican Chamber of the Food Industry (CACIA)	<p>A non-profit business organization, with forty-seven years of experience, constituted and organized by producers of local and international food and beverage industries, with manufacturing operations in Costa Rica.</p> <p>CACIA represents the interests of this productive group and promotes actions aimed at improving the internal business climate and its competitiveness.</p>
		Chamber of Retailers (CANACODEA)	<p>The National Chamber of Retailers and Related Trades (CANACODEA) is a non-profit trade organization that brings together owners of micro, small, and medium-sized commercial and service businesses nationwide.</p>



	NGO	Foundation One Sea	<p>Organization that develops and implements projects for the protection of marine environments, focused on the generation of public policies and regulatory framework for the prevention of pollution of the seas through preventive management of solid waste.</p> <p>It will be partner in the implementation of activities related to plastic waste management in the environment, automotive and agricultural under Component 3.</p>
		CEGESTI	<p>CEGESTI is a non-profit foundation specialized in generating capacities for sustainable development through the provision of consulting and training services. It currently implements the National Marine Waste Plan 2021-2030.</p> <p>It will contribute as source of information and technical communication channel with organizations and municipalities regarding solid waste management. Ally in the generation of public policy, technical and legal regulations within the scope of the project.</p>
		Costa Rican Network of Recyclable Waste Recovery companies (Red Concerva)	<p>It is a national network of recovery and recycling companies.</p> <p>It will contribute as communication and coordination channel with companies and organizations focused on the recovery and recycling of plastic waste to promote implementation of activities mainly under Component 3.</p>

		Foundation “Algo por mi tierra”	<p>Organization working on the prevention of environmental contamination, which organizes volunteer days for cleaning, construction and installation of fences to collect floating waste in cantonal rivers.</p> <p>It will contribute as data source and communication channel with environmental organizations and collaborators in the implementation of actions focused on plastic waste management leaked to the environment and the automotive sector. (Output D2 and D3)</p>
		Foundation for Sustainability and Equity - ALIARSE	<p>The Foundation for Sustainability and Equity, known as ALIARSE, is a non-governmental organization promoted by public institutions and private companies to contribute to sustainability, social justice, and national development.</p> <p>It will be partner in the implementation of activities related to the plastic waste management in the environment. (Output C1 and D2)</p>

	Food and beverage Companies	<p>Considering the project scope, this group is made of:</p> <ul style="list-style-type: none"> <li>- Florida Ice and Farm Company (FIFCO) - Florida Bebidas</li> <li>- Coca-Cola</li> <li>- Dos Pinos</li> <li>- Alimentos Turrialba</li> <li>- Aszukkar</li> <li>- Café Britt</li> <li>- Coopeagropal</li> <li>- El Angel</li> <li>- Alimer</li> <li>- Heinz</li> <li>- Inolasa</li> <li>- Jugos Zarcero</li> <li>- Pastas Roma</li> <li>- Pops</li> <li>- Pozuelo</li> <li>- Sigma</li> <li>- Unilever</li> <li>- Abbot</li> </ul>	<p>These are the three largest companies within the food and beverage sector in the country.</p> <p>Industrias de alimentos y bebidas mediana.</p> <p>They will participate in the implementation of the activities to address the issue of plastic waste in the environment. (Output C1 and D2)</p>
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	Packaging producers for the Food and Beverage sector	<p>Considering the project scope, this group is made of:</p> <ul style="list-style-type: none"> <li>- BASF de Costa Rica S.A</li> <li>- COLORQUIM AC, S.A</li> <li>- GESTOR SAVING PLANET S.A</li> <li>- Grupo Mitasa S.A.</li> <li>- Microplast S.A.</li> <li>- SOLUCIONES DE EMPAQUES TECNICO S.A</li> <li>- Empaques Belen</li> <li>- Envasa</li> <li>- Proplax</li> <li>- Empaques Santana</li> <li>- VICESA</li> </ul>	
Academy	National Council of Rectors (CONARE) and Universities	<p>The following Universities will be considered:</p> <ul style="list-style-type: none"> <li>- Technical University of Costa Rica (UTN)</li> <li>- National University of Costa Rica (UNA)</li> <li>- Costa Rica University (UCR)</li> <li>- EARTH University</li> <li>- National Institute of Learning (INA)</li> <li>- Technological of Costa Rica (TEC)</li> </ul>	<p>CONARE is the national council of rectors of public universities, which dictates their education and research policies.</p> <p>CONARE and Public universities are a source of information and generation of knowledge through research projects linked to the issues addressed by the project.</p> <p>In particular, the UTN will be partner in the implementation of activities aimed at reducing the open burning practice in pineapple crop as well as the use of pineapple biomass based on a circular economy approach. In addition will support activities for UPOPs measurement.</p>

#### Knowledge:

Knowledge and lessons learned are mainstreamed among the different Component and activities within the project. The project will ensure the proper documentation of lessons learned and knowledge products resulting from each of the project activities and making accessible for each group of stakeholders. All the information and knowledge generated by the project will be made available through the website of the Directorate of Environmental Quality Management Costa Rica (DIGECA), which hosts not only ongoing projects but also completed ones: <http://www.digeca.go.cr/proyectos-vigentes>.

Complementary, Costa Rica, through its participation in the regional platform: Circular Economy Coalition of Latin America and the Caribbean, will contribute to share the knowledge and lessons learned of the project with other countries in the region. This will strengthen the common regional agenda with an integrated and holistic approach and support the transition to the circular economy through life cycle thinking.

In addition, knowledge management and coordination will be ensured by the Global Coordination with the following specific activities: i) Integrated communications strategy: Website, branding materials, communication products, and stakeholder engagement events developed; ii) Integrated knowledge management strategy: Annual conferences, knowledge sharing sessions, webinars, capacity development activities organized; iii) Best practices and success stories from all projects of the Program as knowledge products developed. . Costa Rica's experiences and lessons learnt will be shared through the IP network with other countries.

#### Innovativeness, Sustainability and Potential for Scaling Up:

##### Innovativeness:

The innovativeness of the Costa Rica proposal its related to the implementation of innovative mechanisms and engagements for systemic change including a combination of incentives (tax credits) and disincentives (taxes), as well as fostering collaborative action between government and the industry regarding deposit and return systems, as well as other mechanisms to reduce the use of single use plastics as well as adopt alternative materials. The project will help empower women and girls to participate in the decision-making process of policy change and ensure they benefit from proposed changes. The project will strengthen the inclusion of these groups in the formal sector of the economy.

Under Component 1 the project will support the enhancement of national regulatory framework by promoting the harmonization and effective implementation of current regulatory instruments that encourage reduction of plastic use and adoption of circularity principles. In addition, design an effective fiscal scheme to promote circular economy in plastics within the Food and Beverage sector. A National Consultative Platform will be strengthened to boost negotiating, agreement, knowledge exchange, information exchange and documentation, data generation, dialogue spaces of key stakeholders with focus in plastics. This component will also boost the identification of problematic plastics being imported in the country and prioritize them to promote their reduction and/or their banning. Lastly, the engagement and the provision of appropriate technical advice to the legislative and executive power to support the enhancement of the national regulatory framework developed will be supported.

Under Component 2, the innovative approach is related to the following aspects destined to support investment in circular economy business models and sustainable packaging:

- Enhance national capacities through the improvement or simplification of the implementation of existing tax incentives related to the circular economy to reduce the plastic footprint in the Food and Beverage sector.
- Promote and support the implementation of at least 5 initiatives (mainly MSMEs) that that promote technological innovation and circular solutions to reduce plastic in the food and beverage sector.
- Promote through financial institutions the granting of credit for activities, assets or projects related to the circular economy through support in the construction of the Green Taxonomy being developed by the General Superintendence of Financial Institutions of Costa Rica.
- Support financial capacity building for companies, MSMEs and associations to access credit to reduce waste associated with plastic pollution in the food and beverage sector. Complementarily, at least 5 enterprises will be technically assisted to access funds destined to the implementation of circular solutions to plastics within the Food and Beverage sector.

Under Component 3, the innovative approach is related to the implementation of three (3) demonstration activities that will support the voluntary implementation of EPR schemes with large/small retail users to demonstrate the feasibility of implementation of the following: i) involve and impact all value chain (upstream and downstream), for F&B plastic packaging, ii) Reuse-Refill pilots of F&B plastic containers, and iii) deposit-return scheme for bottles/containers. These demonstration activities will be implemented in the

urban area and the obtained results will provide technical justification for the inclusion of plastics packaging and containers as special handling waste by decree, subject to extended producer responsibility in Costa Rica. Additionally, feasibility (technical, economic and environmental) of non-plastic solutions will be demonstrated through the implementation of a pilot project.

#### Sustainability:

The sustainability of the project interventions beyond its completion will be mainly guaranteed as follows:

Within Component 1, the project will support the strengthening of the Consultative Platform as a space for dialogue, negotiation, agreement and data generation of multi-stakeholder in plastics-related issues, with a focus on the food and beverage sector. This platform will enhance multistakeholder engagement and alignment to national priorities aligned to the scope of the project, enabling sustainability of results. Furthermore, legislative and executive power support will be ensured through the development and implementation of a Political Communication Campaign.

Under Component 2, the project will promote the development of financial products that will be available beyond the lifetime of the project. To strengthen sustainability in terms of the availability of financing for micro, small, medium and large enterprises within the plastics value chain which adopt circularity principles and promote the reduction of plastics and increase their reuse and recyclability. The project will build technical capacity among the main actors in the value chain. These actors, who are responsible for the gradual transition in following years after project implementation, are: i) financial entities in order to continue developing financial mechanisms tailored to sustainable production; ii) enterprises to be able to apply to these mechanisms for adopting sustainable production practices.

Under Component 3, the project will address plastic reduction from food and beverage sector through the implementation of demonstration activities of EPR schemes with large/small retailers as well as the development of non-plastic solutions. These demonstration activities will be effectively monitored, and results assessed for ensuring sustainability as well as the proper feedback to national regulatory frameworks and policies.

Through Component 4, the project will support activities destined to encourage behavioral change, which is needed to ensure the sustainability project results, reduction of plastics consumption and adoption sustainable consumption patterns.

#### Scaling Up:

The project has been designed to integrate and promote up-scale and amplification of successful experiences. The capacity building approach mainstreamed in all components is to ensure knowledge and experiences stay and replicate in country within relevant institutions.

Policies and the regulatory framework will be improved for creating an enabling environment for the reduction of plastics use and promote circularity in the food and beverage sector. In particular, the technical support for the inclusion of mandatory EPR for packaging within the National Decree. When the project comes to an end the increased capacity of national entities and local authorities and the improved policy and regulatory enabling environment for sustainable plastics production and consumption will continue to serve the food and beverage sector value chain towards the adoption of circular solutions.

Similarly, under Component 2 the development/updating of tax incentives, as well as the development of financial products will ensure the availability of suitable finance mechanisms towards plastics circular business models to enable the scale up the engagement of the private sector towards plastics reduction within the Food and Beverage sector.

In Component 3, the results of demonstration activities evidencing business models for the effective implementation of EPR schemes in the food and beverage sector, as well as demonstration activities destined to develop non plastics solutions, aims to support and scale up of these schemes by engaging and capacity built in the private sector aligned to the national legal frameworks.

Component 4 will support the scale up through the design and implementation of a communication campaign and educational/communicational systems. Results from both activities will be documented to determine suitable replication models to outreach a major number of people beyond the project lifetime.

Finally, the results from these experiences will be scaled up through lessons learned captured and proper dissemination among key stakeholders for building capacity nationwide.

#### Incremental reasoning

Costa Rica is aware of the threat that plastic pollution poses both to humans and the environment. As identified within the baseline assessment, the country has been progressing in several National Policies to address this challenge, including both upstream and downstream commitments. However, the country is currently the largest importer and re-exporter of plastic resins and

manufactures of Central America, for local consumption, processing, and export. The Ministry of Health estimates that Costa Ricans produce 161,000 tons of plastic waste per year, of which 120,000 tons end up in landfills and 40,000 tons (25%) in natural environments (rivers and beaches). This means that approximately 110 tons of plastic are left in the environment every day and the tendency is for the figure to increase year after year. The Ministry of Finance reports an annual production of at least 600 million disposable plastic bottles and consumption of plastic bottles is estimated at 1.7 million per day, of which almost 90% are not collected and end up accumulated in watersheds, coasts, and marine environments

This evidences the country still faces several challenges (mainly institutional, financial and social behavior) that impede the reduction of plastic use and introduce circular solutions, in particular for this project within the Food and Beverage sector.

GEF fundings will fully support the country with interventions focused on the upstream dimension, contributing to shift the focus to prevention/reduction. The project will combine interventions that aim for policy coherence, access to finance, innovation with the establishment of business models applying EPR mechanisms as well as alternatives to plastics, and capacity building and awareness of key stakeholders to achieve systemic change. In particular, with support of GEF fundings the country will build on the existing progress/developments and: i) develop a cohesive policy framework that incentivizes the private sector to reduce plastic use and adoption of circularity principles, encouraging the Extended Producer Responsibility for plastics containers and packaging in the food and beverage sector; ii) Enhance multi-stakeholder dialogue, negotiation, agreement and data generation within the food and beverage sector; iii) Support the reduction of imports and exports of problematic plastics, by technically assisting in Tariff codes and technical requirements definition; iv) technically assist in the effective implementation of tax incentives as well as credits (through green taxonomy definition) for circular economy for plastics, and also build capacities and assist enterprises (with focus on start-ups and MSMEs) to access the financial products; v) Engage private sector and technically assist in the implementation and evaluation of business models that apply EPR mechanisms (such as deposit/return system) as well as non-plastic solutions; vi) Implement pilot projects to test and assess communicational and educational systems encouraging consumer behavior change towards the reduction of plastics use.

## Institutional Arrangement and Coordination with Ongoing Initiatives and Project.

Please describe the Institutional Arrangements for the execution of this child project, including framework and mechanisms for coordination, governance, financial management and procurement. This should include consideration for linking with other relevant initiatives at country-level (if a country child project) or regional/global level (for coordination platform child project). If possible, please summarize the flow of funds (diagram), accountabilities for project management and financial reporting (organogram), including audit, and staffing plans. (max. 500 words, approximately 1 page)

### Section 1: General roles and responsibilities in the projects' governance mechanism

**Implementing Partner:** The Implementing Partner for this project is the Ministry of Environment and Energy (MINAE).

The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

The Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.

- Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.
- Procurement of goods and services, including human resources.
- Financial management, including overseeing financial expenditures against project budgets.
- Approving and signing the multiyear workplan.
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

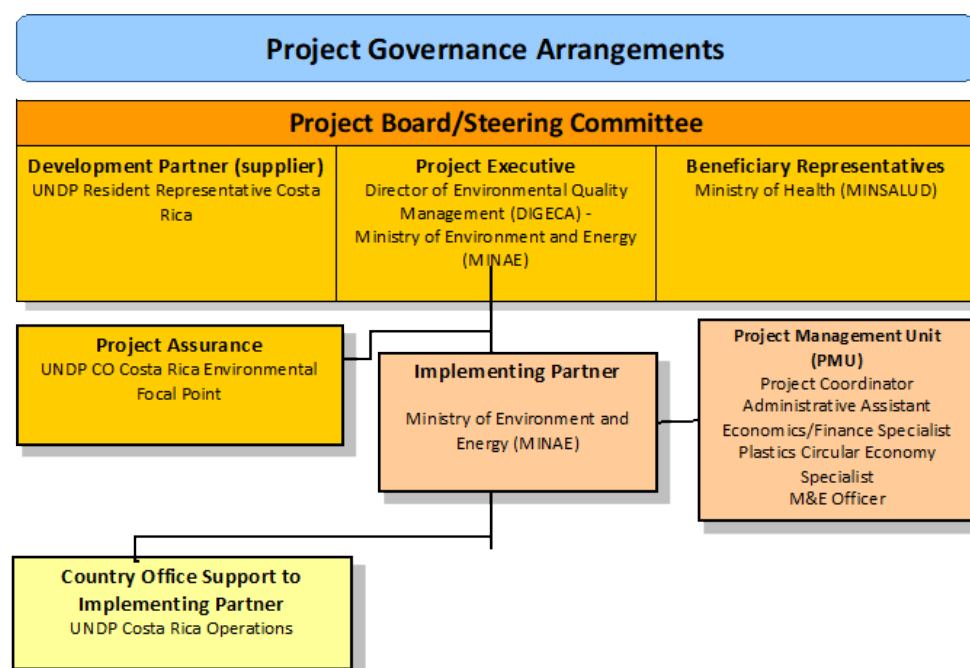
Responsible Parties: not Responsible Parties are identified for this FSP.

Project stakeholders and target groups: The stakeholders of the project correspond to a diversity of entities of the Government (at national and local level), private sector, academia and CSOs, as detailed in Table 6. Partnerships of the FSP, such as: industrial associations, universities, food and beverage companies, plastic producers, research centers, NGOs, etc. These stakeholders can engage having similar approach and goals for the reduction of plastic in the food and beverage sector and incentivize the adoption of circular business models.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. **The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project.** UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

A firewall will be maintained between the delivery of project oversight and quality assurance performed by UNDP and charged to the GEF Fee and any support to project execution performed by UNDP (as requested by and agreed to by both the Implementing Partner and GEF) and may be charged to the GEF project management costs (only if approved by GEF). The segregation of functions and firewall provisions for UNDP in this case is described in the next section.

## Section 2: Project governance structure



### First line of defense

- Person providing oversight of execution support (COS) cannot report to UNDP staff providing project assurance or providing programmatic oversight support to the RR

### Second line of defense

- Regional Bureau oversees RR and function of UNDP compliance in project assurance
- BPPS RTA oversees functions of technical oversight and GEF compliance in project assurance. BBPS NCE PTA oversees RTA function.
- UNDP GEF Executive Coordinator and Regional Bureau Deputy Director can revoke DOA/cancel/suspend project or provide enhanced oversight



The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP's Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

**UNDP project support:** The Implementing Partner and GEF OFP have requested UNDP to provide support services *for* the full duration of the project, and the GEF has agreed for UNDP to provide such execution support services **provided however that such costs will not be charged to the project budget but will be fully covered by non-GEF resources**. The execution support services – whether financed from the project budget or other sources - have been set out in detail and agreed between UNDP Country Office and the Implementing Partner in a Letter of Agreement (LOA). This LOA is attached to this Project Document.

To ensure the strict independence required by the GEF and in accordance with the UNDP Internal Control Framework, these execution services will be delivered independent from the GEF-specific oversight and quality assurance services.

### **Section 3: Segregation of duties and firewalls vis-à-vis UNDP representation on the project board:**

As noted in the [Minimum Fiduciary Standards for GEF Partner Agencies](#), in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions.

In this case, UNDP's implementation oversight role in the project – as represented in the project board and via the project assurance function – is performed by the UNDP Resident Representative Costa Rica (on Project Board), and the UNDP Costa Rica Environmental Focal Point (project assurance). UNDP's execution role in the project (as requested by the implementing partner and approved by the GEF) is performed by UNDP Costa Rica Operations, and other staff in the Operations unit, who will report to the Deputy Resident Representative.

### **Section 4: Roles and Responsibilities of the Project Organization Structure:**

- a) **Project Board:** All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project.

The two main (mandatory) roles of the project board are as follows:

- 1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the [“Provide Oversight”](#) section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.
- 2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the [“Manage Change”](#) section of the POPP).

### Requirements to serve on the Project Board:

- ✓ Agree to the Terms of Reference of the Board and the rules on protocols, quorum and minuting.
- ✓ Meet annually; at least once.
- ✓ Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.
- ✓ Discharge the functions of the Project Board in accordance with UNDP policies and procedures.
- ✓ Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

### Responsibilities of the Project Board:

- ✓ Consensus decision making:
  - The project board provides overall overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
  - Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;
  - The project board is responsible for making management decisions by consensus.
  - In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
  - In case consensus cannot be reached within the Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.
- ✓ Oversee project execution:
  - Agree on project manager's tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded.
  - Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
  - Address any high-level project issues as raised by the project manager and project assurance;
  - Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);
  - Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
  - Track and monitor co-financed activities and realisation of co-financing amounts of this project.
  - Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.

- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.

✓ Risk Management:

- Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.
- Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project's area of influence that have implications for the project.
- Address project-level grievances.

✓ Coordination:

- Ensure coordination between various donor and government-funded projects and programmes.
- Ensure coordination with various government agencies and their participation in project activities.

**Composition of the Project Board:** The composition of the Project Board must include individuals assigned to the following three roles:

1. **Project Executive:** This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner), and it must be UNDP for projects that are direct implementation (DIM). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the project board with representatives of another category, it typically does so with a development partner representative. The Project Executive is: Director of Environmental Quality Management (DIGECA) - Ministry of Energy and Environment (MINAE).
2. **Beneficiary Representative(s):** Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary representative (s) is/are: Ministry of Health (MINSALUD)
3. **Development Partner(s):** Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partner(s) is/are: UNDP Costa Rica Country Office Resident Representative.

- b) **Project Assurance:** Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project execution.

A designated representative of UNDP playing the project assurance role is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the

required documentation required to perform their duties. The UNDP representative playing the main project assurance function is/are: UNDP Costa Rica Environmental Focal Point.

- c) **Project Management – Execution of the Project:** The Project Manager (PM) (also called project coordinator) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The project manager typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers.

A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative.

The primary PMU representative attending board meetings is: Project Manager/Coordinator

Will the GEF Agency play an execution role on this child project? Yes

If so, please describe that role here and the justification.

UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the

Implementing Partner, retains the right to revoke the project DOA, and/or suspend or cancel this GEF project. UNDP is responsible for the Project Assurance function in the project governance structure and reports to the Project Board and attends Project Board meetings as a non-voting member.

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (max. 500 words, approximately 1 page)

### **National Project Participation in the IP**

#### **Events**

The Global Project will host events, webinars, and meetings to ensure regular coordination across the Program. Budget and staff resources have been allocated to actively participate and engage in the following activities.

- Participation and contribution of inputs (to documents, agenda, etc) in the Annual Conference, starting in 2025, in order to share and exchange experiences, knowledge and best practices. Representation from government and the Project Management Unit have been budgeted.
- Attendance and contributions to at least 2 virtual learning sessions on relevant topics per month, in order to apply IP assets to national planning and adapt these to the local national context.
  - Participation and contributions to working groups organized by the Global Project, in particular the Advisory Committee, Private Sector Working Group and Technical Working Group meetings.

#### **Communications**

The Global Project will be responsible for program-level Knowledge Management and Communications. In addition to accessing the knowledge shared and generated by the Global Project for uptake at the country level, the following activities will be undertaken to ensure the project fully contributes to the Program's Knowledge Management and Communications Strategy:

- Ensure alignment with the IP branding guidelines and the communications strategy.

- A designated project staff from PMU will be responsible for liaising with the Global Project on communications matters related to the Program.
- Sharing of key knowledge and communication products (in English) to the Global Project Web-site; if needed, translate Global Project content for national partners and stakeholders to increase uptake.
- Provide updates and inputs to the project webpage (to be hosted on the Program website).
- Share challenges and successes with the broader IP (through virtual meetings and online forum) and the contribution to the broader community via knowledge sharing with relevant external fora (e.g. participation in events, panels, conferences, contributing to external websites, the Global Project, etc.).

### M&E and reporting

- The M&E framework has been designed to ensure alignment with the wider program's guidance. This includes following the Global Project's methodologies on the core indicators.
- The project will share key reports (PIR, Results Framework Tracking, etc) to the Global Project, and provide inputs to the Global Projects M&E reporting including the Annual Report and Mid-term Evaluation and Terminal Evaluation if appropriate.
- The project will also coordinate with the Global Project on M&E requirements as needed, including incorporation and tracking of program-level indicators.
- The project is also committed to following the Private Sector Engagement Guidelines to ensure good partnerships and an aligned vision.

Also related to institutional partnerships, there is a group of GEF-financed projects and other initiatives in Costa Rica currently under implementation related to the development challenge that this project is also addressing, which could provide some additional support to strengthening this institutional partnership approach. Thanks to the involvement of the institutional partners in some of them, it seems of mutual benefit the achievement of the outcomes of this project. Specifically, this FSP will ensure coordination and count on the capacity built and knowledge gathered from the concurrent projects that are already in progress, as shown in Table below:

Table 8: Other on-going projects related to this FSP.

Project	Agency	Main relevance for this FSP
Strengthening the national capacity for the management of Persistent Organic Pollutants (POPs) in Costa Rica.	GEF - UNDP	<p>The GEF financed project implemented by the Ministry of Environment and Energy (MINAE) with support of the United Nations Development Programme (UNDP), aims to reduce the emissions/releases, minimize exposure of human beings to UPOPs in strategic sectors including plastics and to advance the Stockholm Convention in Costa Rica. The project is structured in in four components and the following main outcomes: i) Government and relevant stakeholders involved, and POPs environmental sound management (ESM) capacities strengthened.; ii) Unintentional POPs (UPOPs) emissions and control systems strengthened; iii) Plastics management systems strengthened; iv) BAT/BEP for the reduction of use and consumption of plastics and management of plastics waste; and v) Awareness-raised, lessons learned, and knowledge managed.</p> <p>This project aligns with efforts to reduce harmful emissions from plastics and other pollutants. The 'Circular Solutions to Plastic Pollution' project can leverage the strengthened plastics management systems and best available techniques (BAT) for reducing plastic waste. Lessons learned and awareness-raising activities from this project can support policy development and stakeholder engagement in the circular economy.</p>
Rethinking the plastic consumption in Costa Rica: Ideas to Action.	French Cooperation Fund for the Global Environment (FFEM) - UNDP	The objective is to minimize the impact on the environment and health through a reduction in the discharge of toxic substances, (potentially) microplastics and exposure from the use of plastics in Costa Rica by addressing the capacity to manage

		<p>plastic waste and reducing its use through innovative approaches. This objective will be achieved through two main components:</p> <ol style="list-style-type: none"> <li>1. Baseline of plastics consumption, waste management, externalities and policy development needs.</li> <li>2. From ideas to actions: pilot projects to demonstrate innovative approaches and technologies for reducing the use of plastics and for better management of plastic waste.</li> </ol> <p>With a focus on reducing the discharge of toxic substances and plastic use, this initiative provides a basis for policy development and piloting innovative approaches. The FSP can collaborate by expanding pilot projects that focus on non-plastic solutions, as well as adopting policies and baseline data to track the reduction in plastic use and waste management practices.</p>
Landscape without Plastics: 2022-2030	UNDP and private companies and organizations	<p>The project addresses the contamination of natural environments by tragic plastics. The goal is to collect 200,000 tons of tragic and non-recoverable plastics and transform them into raw material for the construction industry as a part of a national strategy for tragic plastics.</p> <p>By transforming non-recoverable plastics into raw materials for the construction industry, this project offers a model for reusing plastic waste. The FSP can explore synergies, such as developing similar value chains for non-plastic alternatives or integrating circular solutions that involve public-private partnerships.</p>
Guidelines to eliminate plastic pollution	Institute of Technical Standards of Costa Rica (INTECO)	<p>20 INTECO Guidelines have been adopted related to single-use, renewable and compostable plastics (analysis methods related to RCM labelling renewable, compostable and compostable in marine environment) biodegradability of plastics, degradation of polyethylene, ultraviolet exposure of plastics, non-floating plastics in the marine environment, test method to determine aerobic biodegradability of plastics under controlled composting conditions, etc.</p> <p>INTECO's guidelines offer a technical foundation for the FSP to build circular economy policies, particularly by aligning with biodegradability standards and renewable materials. These guidelines can support the implementation of extended producer responsibility (EPR) mechanisms, making plastic alternatives more feasible and compliant with national standards.</p>
End Plastic Pollution International Collaborative (EPPIC)	International Union for the Conservation of Nature (IUCN)	<p>Seeks to galvanize global action on plastic pollution by supporting projects around the world to make the full lifecycle of plastic more sustainable, starting with efforts to change the design and use of plastic products. Implementing partner in Costa Rica is the Ministry of Environment. i) Increase knowledge on potential upstream, midstream and downstream solutions. ii) Ensure that policy and regulatory frameworks support science-based solutions. iii) Support the implementation of science-based technologies and solutions to facilitate a just transition and promote a circular economy approach.</p> <p>The FSP can use the knowledge on upstream and downstream plastic management solutions to enhance its policy framework. By aligning with global regulatory frameworks and technologies, the project can advocate for comprehensive circular economy models that are both science-driven and scalable.</p>
Costa Rica National Plastic Action Partnership (CR-NPAP) Initiative	World Economic Forum - UNDP	<p>The National Plastic Action Partnership (NPAP) project in Costa Rica aims to eliminate plastic pollution through multi-stakeholder collaboration, innovative solutions, and sustainable practices. The project will serve as the NPAP Secretariat and host organization, working closely with the Ministry of Finance and other key stakeholders. It will facilitate the development and implementation of strategic initiatives to reduce plastic pollution, enhance partnerships, and drive behavioral change. By aligning national efforts with global standards, the project contributes significantly to the Sustainable Development Goals (SDGs) and the preservation of Costa Rica's diverse ecosystems.</p> <p>The project comprises three main components: establishing a framework for collaboration and coordination, strengthening partnerships to catalyze actions against plastic pollution, and increasing public knowledge and behavioral change. Key activities include supporting key initiatives, launching an innovation challenge for businesses, defining criteria for problematic plastics, and developing a Plastic Action</p>

		<p>Financing Roadmap. Additionally, the project will implement a gender-sensitive behavior change roadmap, execute a national awareness campaign, and establish an interactive learning space to educate the public. Through these comprehensive efforts, the project seeks to foster sustainable consumption and production patterns, enhance climate action, and protect marine environments, ultimately revitalizing global partnerships for sustainable development.</p> <p>The FSP can collaborate with NPAP to drive innovation, behavior change, and financial roadmaps, while ensuring that EPR mechanisms and business models are harmonized across different sectors. The gender-sensitive behavior change strategies and interactive learning spaces developed by NPAP can further enhance the FSP's efforts in promoting public awareness and industry compliance.</p>
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## Table On Core Indicators

### Core Indicators

Indicate expected results in each relevant indicator using methodologies indicated in the GEF-8 Results Measurement Framework Guidelines. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

#### Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	43500	33610	0	0
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>	0	0	0	0

#### Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>				
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>				
<b>Duration of accounting</b>				

#### Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	43,500	33,610		
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>	2024	2025		
<b>Duration of accounting</b>	10	10		

#### Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
<b>Target Energy Saved (MJ)</b>				

#### Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)



Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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#### Indicator 7 Shared water ecosystems under new or improved cooperative management

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Shared water Ecosystem	Caribbean sea	Caribbean sea		
Count	1	1	0	0

#### Indicator 7.1 Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
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#### Indicator 7.2 Level of Regional Legal Agreements and Regional management institution(s) (RMI) to support its implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
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#### Indicator 7.3 Level of National/Local reforms and active participation of Inter-Ministerial Committees (IMC; scale 1 to 4; See Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Caribbean sea	1	1		

#### Indicator 7.4 Level of engagement in IWLEARN through participation and delivery of key products(scale 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
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#### Indicator 9 Chemicals of global concern and their waste reduced

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
0.00	0.00	0.00	0.00

#### Indicator 9.1 Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)

POPs type	Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
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#### Indicator 9.2 Quantity of mercury reduced (metric tons)



Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

#### Indicator 9.3 Hydrochlorofluorocarbons (HCFC) Reduced/Phased out (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

#### Indicator 9.4 Number of countries with legislation and policy implemented to control chemicals and waste (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

#### Indicator 9.5 Number of low-chemical/non-chemical systems implemented, particularly in food production, manufacturing and cities (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

#### Indicator 9.6 POPs/Mercury containing materials and products directly avoided

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

#### Indicator 9.7 Highly Hazardous Pesticides eliminated

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

#### Indicator 9.8 Avoided residual plastic waste

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
15,000.00	15,453.00		

#### Indicator 10 Persistent organic pollutants to air reduced

Grams of toxic equivalent gTEQ (Expected at PIF)	Grams of toxic equivalent gTEQ (Expected at CEO Endorsement)	Grams of toxic equivalent gTEQ (Achieved at MTR)	Grams of toxic equivalent gTEQ (Achieved at TE)
1.00	0.70		

**Indicator 10.1 Number of countries with legislation and policy implemented to control emissions of POPs to air (Use this sub-indicator in addition to Core Indicator 10 if applicable)**

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

**Indicator 10.2 Number of emission control technologies/practices implemented (Use this sub-indicator in addition to Core Indicator 10 if applicable)**

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

**Indicator 11 People benefiting from GEF-financed investments**

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
<b>Female</b>		144,727		
<b>Male</b>		144,727		
<b>Total</b>	<b>0</b>	<b>289,454</b>	<b>0</b>	<b>0</b>

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

Project Core Indicators are calculated for five years of project implementation plus five years after project completion. The calculations were held based on the GEB contribution calculation sheet template.

In particular contribution was estimated based on the pilot project/demonstration activities to be developed within Output 2.2, 3.2 and 3.3.

During 5 years of project implementation 16,805 metric tons of CO<sub>2</sub>e outside AFOLU sector (direct) will be avoided, reaching 33,610 metric tons of CO<sub>2</sub>e avoided outside AFOLU sector (direct) after 5 years of project implementation.

During 5 years of project implementation 7,726 metric tonnes of plastic waste will be avoided, reaching 15,453 metric tonnes of plastic waste avoided after 5 years of project implementation.

During 5 years of project implementation 0.3 gTEQ of UOPs to air will be reduced, reaching 0.7 gTEQ of UOPs to air reduced after 5 years of project implementation.

Beneficiaries will reach a total of 289,454 people (144,727 women and 144,727 men) during project implementation.

A specific annex was developed to detail its estimation.

Output, Criteria, Beneficiaries estimation, Women, Men,

Outputs 1.2, 2 Sectoral dialogue roundtable per year. (From year 2 to year 5)., Estimated participants per activity = 13 people.  
104, 52, 52.

Output 2.1,	Dissemination and capacity building strategy for the use of tax incentives to circular economy businesses, Estimated 30 people impacted by dissemination events, 3 events during project implementation.,	90,	45,	45.
Output 2.2,	5 Circular economy initiatives selected. Estimated 2 people per initiative,	10,	5,	5.
Output 2.3	5 small and medium companies technically assisted. Estimated 50 people per company.	250	125	125
Output 3.2	EPR in Value chain. 1 unit x 5 producers/unit x 15,000 consumers.	75,000	37,500	37,500
Output 3.2	Reuse/Refill system. 1 unit x 5 supermarket/unit x 20,000 consumers.	100,000	50,000	50,000
Output 3.3	Deposit/Return system. 1 unit x 5 supermarket/unit x 20,000 consumers.	100,000	50,000	50,000
Output 4.1	People nearby (Avg of potential implementation sites) Estimated number of people reached.	10,000	5,000	
5,000				
Output 4.2	At least 10 schools. Estimated avg 400 students/school.	4,000	2,000	2,000
Total	Beneficiaries: 289,454	Women: 144,727	Men: 144,727	

## Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Moderate	Please see the project's SESP for details.
Environmental and Social	Moderate	Please see the project's SESP for details.
Political and Governance	Moderate	In the situation that this would happen, technical personnel from UNDP CO staff and the UNDP Panama RTA will do their utmost to inform and convince new decision makers on the importance of the project, the reasons why it was developed and the positive impact it will have on human health and the environment in Costa Rica.
INNOVATION		
Institutional and Policy	Low	The project strategy, objectives and activities are fully aligned with the national and local policies and strategies and are also fully aligned with the International Chemicals and Waste Conventions. Consequently, risks related to strategies and policies are considered low.
Technological	Low	The project will foster to introduce innovative solutions to local contexts towards reducing plastic use simultaneously with the promotion of circular models in the food and beverage sector. Meaning this the adoption of successful experiences and learnings worldwide adapted to local contexts. The

		project ensures engagement and technical advisory exchanges with key strategic partners at global (Plastics IP) and at national level.
Financial and Business Model	Moderate	Private sector partners are reluctant to play an active role during project execution. During the PPG stage, the main concerns, and interests of the key stakeholders (including private sector) were compiled, allowing the development of proper stakeholder engagement plan during project implementation. In addition, the project foresees to implement activities that enables investment circular economy business models implementation in the food and beverage sector to promote plastic reduction.

#### EXECUTION

Capacity	Low	uring the implementation of the FSP, stakeholder engagement activities and technical training programs will be developed and implemented, as well as capacity building in government institutions, customs officers and other interested parties who are working on issues related to the reduction of plastics use in the food and beverage sector, as well as on the management of plastics and its waste, to ensure the knowledge and experience needed to carry out their tasks properly. Furthermore, an effective communication strategy and an awareness raising campaign will be developed during the implementation of the FSP to raise awareness among the stakeholders and the community in general of the project's scope and activities.
Fiduciary	Low	UNDP monitors expenditure on a daily basis. Further UNDP HQ provides global oversight of project delivery minimizing the risk of operational risk due to currency risks.
Stakeholder	Moderate	Please see the project's SESP for details.

Other		
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Overall Risk Rating	Moderate	
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### C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Explain how the proposed interventions are aligned with GEF- 8 programming strategies, including the specific integrated program priorities, and country and regional priorities, Describe how these country strategies and plans relate to the multilateral environmental agreements, such as through NDCs, NBSAPs, etc.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how.

(max. 500 words, approximately 1 page)

The project is fully aligned to the GEF-8 Circular Solutions to Plastic Pollution Integrated Programme (IP) since the activities planned in each of the components aims to catalyze circular economy approaches to reduce plastic production, consumption, and waste, at national level and with specific interventions at city level within the Food and Beverage sector.

This project will tackle plastic pollution through interventions at the upstream and midstream that influence the entire plastic value chain from production to consumption to disposal thereby leveraging interlinked benefits across the processes and sectors contributing to plastic pollution. Investments will support the development of sustainable business models to evidence technical and economic feasibility of EPR mechanisms as well as alternatives materials to plastics. Supporting as well required systemic change in the way producers, retailers, distributors and consumers operate and requiring a high level of cross-collaborative engagement through the development of circular partnerships and consumer education on the use of plastics to shift mindsets and behaviors. This would result in creating more economic opportunities and jobs, and reducing ocean pollution, projected plastic-related greenhouse gas and hazardous chemical emissions.

In relation to the Kunming-Montreal Global Biodiversity Framework, the project is relevant to and will clearly impact on the following targets:

Target 7. 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: reducing excess nutrients lost to the environment by at least half including through more efficient nutrient cycling and use; reducing the overall risk from pesticides and highly hazardous chemicals by at least half including through integrated pest management, based on science, taking into account food security and livelihoods; and also preventing, reducing, and working towards eliminating plastic pollution.

Target 16. Ensure that people are encouraged and enabled to make sustainable consumption choices including by establishing supportive policy, legislative or regulatory frameworks, improving education and access to relevant and accurate information and alternatives, and by 2030, reduce the global footprint of consumption in an equitable manner, halve global food waste, significantly reduce overconsumption and substantially reduce waste generation, in order for all people to live well in harmony with Mother Earth.

## D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

**We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the child Project Description (Section B).**

Yes

**1) Does the project expect to include any gender-responsive-measures to address gender gaps or promote gender equality and women's empowerment?**

Yes

If the child project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

**Closing gender gaps in access to and control over natural resources;**

**Improving women's participation and decision-making; and/or**

Yes

**Generating socio-economic benefits or services for women.**

Yes

**2) Does the child project's results framework or logical framework include gender-sensitive indicators?**

Yes

## Stakeholder Engagement

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes has been clearly articulated in the Child Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes

### Select what role civil society will play in the Project:

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier; Yes

Member of project steering committee or equivalent decision-making body ;

Executor or co-executor;

Other (Please explain)

## Private Sector

Will there be private sector engagement in the Child project?

Yes

And if so, has its role been described and justified in section B "Child project description"?

Yes

## Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed child project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

### Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
	Medium/Moderate		

## E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted and an anticipated timeline for delivery of relevant outputs has been provided. This includes budget for linking with and participation in knowledge exchange activities organized through the coordination platform.

Yes

## Socio-economic Benefits

We confirm that the child project design has considered socio-economic benefits to be delivered by the project and these have been clearly described in the Project Description and will be monitored and reported on during project implementation (at MTR and TER).

In addition to the Global Environmental Benefits (GEBs) the project is expected to deliver on the following socio-economic benefits:

- reduce air pollution / reduce waste and wastewater pollution by reducing the use of plastics and increasing their circularity. In particular, this co benefit will result from the implementation of the different pilot projects as well as the planned legal framework which will support the reduction of plastics being used, and as a consequence its related waste pollution, simultaneously with the reduction of UPOPs and GHG which will contribute to reduce air pollution.
- Enhance participation, equality, and inclusion (including for women, youths, and Indigenous Peoples and local communities) by ensuring proper engagement and equal access to identified vulnerable groups.
- Improve education, skills, capacity and technology for sustainable development, through several interventions targeting different stakeholders' groups that enhance the reduction of plastics use as well as increase their circularity within the Food and Beverage sector.
- Create job opportunities enhanced through the deployment of business models to increase plastics circularity within the Food and Beverage sector. In particular, this co benefit will result from the demonstration activities aiming to build evidence in sustainable circular business models destined to reduce plastics use within the F&B and sector, and the planned replication and scale up strategies.

## ANNEX A: FINANCING TABLES

### GEF Financing Table

#### Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non- Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
UNDP	GET	Costa Rica	International Waters	International Waters: IW IP Contributions	Grant	3,424,924.00	308,243.00	3,733,167.00
UNDP	GET	Costa Rica	Biodiversity	BD STAR Allocation: IPs	Grant	91,743.00	8,257.00	100,000.00
UNDP	GET	Costa Rica	Biodiversity	BD IP Matching Incentives	Grant	30,581.00	2,752.00	33,333.00

Total GEF Resources (\$)		3,547,248.00	319,252.00	3,866,500.00
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### Project Preparation Grant (PPG)

Was a Project Preparation Grant requested? true

PPG Amount (\$) 150000

PPG Agency Fee (\$) 13500

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
UNDP	GET	Costa Rica	International Waters	International Waters: IW IP Contributions	150,000.00	13,500.00	163,500.00
Total PPG Amount (\$)					150,000.00	13,500.00	163,500.00

Please provide Justification

### Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
UNDP	GET	Costa Rica	Biodiversity	BD STAR Allocation	100,000.00
Total GEF Resources					100,000.00

### Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
Plastics IP	GET	3,547,248.00	21125775.9
Total Project Cost		3,547,248.00	21,125,775.90

### Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
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Private Sector	Institute of Technical Standards of Costa Rica (INTECO)	In-kind	Recurrent expenditures	309410
Private Sector	IPS Recycle	In-kind	Recurrent expenditures	2227200
Recipient Country Government	Ministerio de Salud	In-kind	Recurrent expenditures	181952.4
Private Sector	NICOVERDE S.A.	In-kind	Recurrent expenditures	3000000
Private Sector	JL Señalización y Arquitectura SA	In-kind	Recurrent expenditures	875000
Private Sector	JL Señalización y Arquitectura SA	Grant	Investment mobilized	2625000
Private Sector	Asociación Centroamericana para la Economía, la Salud y el Ambiente (ACEPESA)	In-kind	Recurrent expenditures	72500
Private Sector	Asociación Centroamericana para la Economía, la Salud y el Ambiente (ACEPESA)	Grant	Investment mobilized	72500
Private Sector	Cooperativa de Productores de Leche Dos Pinos R.L.,	Grant	Investment mobilized	5000000
GEF Agency	United Nations Development Programme	In-kind	Recurrent expenditures	200000
Private Sector	Asociación Cámara Nacional de Comerciales Detallistas y Afines	In-kind	Recurrent expenditures	14041.75
Private Sector	Asociación Cámara Nacional de Comerciales Detallistas y Afines	Grant	Investment mobilized	14041.75
Recipient Country Government	Unión Nacional de Gobiernos Locales	In-kind	Recurrent expenditures	190000
Recipient Country Government	Ministerio de Ambiente - DIGECA	In-kind	Recurrent expenditures	460000
Private Sector	Empapel S.A.	Grant	Investment mobilized	76300
Private Sector	Empapel S.A.	In-kind	Recurrent expenditures	76300
Private Sector	Fundación OneSea	In-kind	Recurrent expenditures	3000000

Private Sector	Plastic Waste Industries	In-kind	Recurrent expenditures	900000
Private Sector	Fundación para la Sostenibilidad y la Equidad	In-kind	Recurrent expenditures	1831530
<b>Total Co-financing</b>				<b>21,125,775.90</b>

Please describe the investment mobilized portion of the co-financing

The investment mobilized corresponds to:

- Investments for development and implementation of recyclable packaging and reduction of plastic in packaging. will be allocated to investment in the production line (machinery). (Dos Pinos)
- Investments in logistics recovering post-consumer packing materials. (ACEPESA)
- Investment in manufacturing line and logistics. (EMPAPEL)
- Investments in biobased packing manufacturing machinery and equipment. SyA.

## ANNEX B: ENDORSEMENT

### GEF Agency(ies) Certification

GEF Agency Coordinator	Date	Project Contact Person	Telephone	Email
GEF Agency Coordinator	8/6/2024	Nancy Bennet		nancy.bennet@undp.org
Project Coordinator	8/6/2024	Xiaofang Zhou		xiaofang.zhou@undp.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Please attach the Operational Focal Point endorsement letter(s) with this template.

Name of GEF OFP	Position	Ministry	Date (MM/DD/YYYY)
Enid Chaverri Tapia	Director - GEF Operational Focal Point	Ministerio de Ambiente y Energía	4/10/2023

## ANNEX C: PROJECT RESULTS FRAMEWORK

Please indicate the page number in the Project Document where the project results and M&E frameworks can be found. Please also paste below the Project Results Framework from the Agency document. For the Integrated Programs' global/regional coordination child project, please include the program-wide results framework, inclusive of results specific to the coordination child project. For any country child project, please ensure that relevant program level indicators are included.

Project results framework can be found in page 47 of the Project Document (ProDoc) and M&E plan in page 54.

Contribution to the Sustainable Development Goal (s): SDG 3 “Good Health and Well-being”; SDG 5 “Gender Equality”; SDG 6 “Clean Water and Sanitation”; SDG 11 “Sustainable Cities and Communities”; SDG 12 “Responsible Consumption and Production”; SDG 13 “Climate Action”; SDG 14 “Life below water”; SDG 15 “Life on land”							
Intended Outcome as stated in the UNSDCF/Country Programme Results and Resource Framework: UNSDCF outcome 2.1. By 2027, institutions are transformed and modernized to provide people- centred, inclusive, innovative, effective, efficient, timely and flexible, gender-transforming quality services, articulated with other institutions and with a strong territorial approach, allowing municipalities to become the main agents of change in local development, especially in territories with a lower development index. /							
Applicable Output(s) from the UNDP Strategic Plan: Output 1.3. National and local public institutions have strengthened their capacities to manage, inform and supervise substances harmful to the environment, as well as to substitute and eliminate them. UNSDCF outcome 3.2. By 2027, women in their diversity and vulnerable populations participate in and benefit from an innovative, inclusive economy that enhances their opportunities for decent work and entrepreneurship, with better conditions to access financing mechanisms. /Output 2.2. National and local public sectors have strengthened capacities for the promotion of a green, blue, purple and circular economy and the strengthening of climate action.							
Project title and Quantum Project Number: Circular solutions to plastic pollution in Costa Rica							
Objective and Outcome Indicators  (no more than a total of 20 indicators)		Data Source	Baseline	Mid-term Target	End of Project Target	Data Collection Methods	Risks/Assumptions
Project Objective :	Reduce the amount of plastic placed in the market by the food and beverage industry and incentivize them to implement circular solutions to plastic packaging.						
	Mandatory Indicator 1:  GEF Core Indicator 11: # direct project beneficiaries disaggregated by gender (individual people)	Annual report on the number of people trained and in attendance at awareness workshops, collected by and reported on by the PMU.  This information would be disaggregated by gender and recorded in a project beneficiary’s database.	-	115,000 direct project beneficiaries (57,500 women and 57,500 men)	289,454 direct project beneficiaries (144,727 women and 144,727 men)	Annual report on the number of people trained and in attendance at awareness workshops, collected by and reported on by the PMU.  This information would be disaggregated by gender and recorded in a project beneficiary’s database.	Risks:  Assumptions:  The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
	Mandatory Indicator 2:  GEF Core Indicator 6: Greenhouse gas emission mitigated (metric tons of CO2e)	Official records of DIGECA (MINAE).	-	6,722 metric tonnes of CO2e avoided outside AFOLU sector (direct)	16,805 metric tonnes of CO2e avoided outside AFOLU sector (direct) <a href="#">[1]</a>	Global IP GEBs calculation methodology.  Official records of DIGECA (MINAE).	Risks:  Assumptions:  Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.  The industry maintains a strong ambition to

							reduce plastic pollution.
	Mandatory Indicator 3: GEF Core Indicator 9: Avoided residual plastic waste (MT)	Official records of DIGECA (MINAE).	-	3,090 MT of plastic waste avoided.	7,726 MT of plastic waste avoided.[2]	Global IP GEBs calculation methodology. Official records of DIGECA (MINAE).	Risks:  Assumptions: Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.  The industry maintains a strong ambition to reduce plastic pollution.
	Mandatory Indicator 4: GEF Core Indicator 10: Persistent organic pollutants to air reduced (gTEQ)	Official records of DIGECA (MINAE).	-	0.12 gTEQ to air reduced.	0.3 gTEQ to air reduced.[3]	Global IP GEBs calculation methodology. Official records of DIGECA (MINAE).	Risks:  Assumptions: Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.  The industry maintains a strong ambition to reduce plastic pollution.
Objective and Outcome Indicators  (no more than a total of 20 indicators)		Data Source	Baseline	Mid-term Target	End of Project Target	Data Collection Methods	Risks/Assumptions
Project component 1	Strengthening governance and policies on circular solutions for plastic pollution.						
Project Outcome 1	Indicator 5: Policy framework enhanced, measured by: - Regulatory framework assessment and	Official records of DIGECA (MINAE).	-	- One (1) report on the regulatory framework assessment and recommendations.  - Political Communication	- Eight (8) technical regulations drafted for technical standards.  - One (1) technical regulation for	Official records of DIGECA (MINAE).	Risks:  Assumptions: Government of Costa Rica commits to encourage coordination

	<p>recommendations report.</p> <ul style="list-style-type: none"> <li>- Fiscal Instruments designed and proposed.</li> <li>- Number of technical regulations drafted for technical standards.</li> <li>- Number standard specifications, basic conditions and framework agreements of plastics products included in public procurement system.</li> <li>- Technical regulation and decree for plastics inclusion as special waste subject to EPR drafted.</li> <li>- Political Communication Strategy implemented</li> </ul>			Strategy developed	<p>fiscal instruments implementation.</p> <ul style="list-style-type: none"> <li>- Five (5) standard specifications, basic conditions and framework agreements of plastics products included in public procurement system.</li> <li>- Technical regulation and decree for plastics inclusion as special waste subject to EPR drafted.</li> <li>- Political Communication Strategy implemented.</li> </ul>		<p>among competent authorities for promoting the reduction of plastics in the food and beverage industry and incentivize the adoption of circular solutions to plastic packaging.</p> <p>A collaborative approach to policy making that is sustained and continuously improved, integrating gender related issues across the implementation of the proposed activities.</p>
	<p>Indicator 6:</p> <ul style="list-style-type: none"> <li>- Sectoral dialogue roundtables towards plastics circularity institutionalized.</li> <li>- Number of Tariff headings and subheadings revised for prioritized products from the plastics value chain in the F&amp;B related with international taxation.</li> <li>- Number of technical requirements defined for</li> </ul>	<p>Official records of DIGECA (MINAE).</p>	-	<ul style="list-style-type: none"> <li>- Problematic plastic being imported and exported prioritized.</li> </ul>	<ul style="list-style-type: none"> <li>- Sectoral dialogue roundtables towards plastics circularity institutionalized.</li> <li>- At least ten (10) Tariff headings and subheadings modified for prioritized problematic plastics reduction.</li> <li>- At least ten (10) Technical requirements defined for plastics imports.</li> </ul>	<p>Official records of DIGECA (MINAE).</p>	<p>Risks:</p> <p>Assumptions:</p> <p>Government of Costa Rica commits to encourage coordination among competent authorities for promoting the reduction of plastics in the food and beverage industry and incentivize the adoption of circular solutions to plastic packaging.</p> <p>A collaborative approach to</p>

	imports prioritized products from the plastics value chain.						policy making that is sustained and continuously improved, integrating gender related issues across the implementation of the proposed activities.
Outputs to achieve Outcome 1	<p>Outputs 1.1. A new policy framework which disincentivize the use of plastics in containers and packaging supported by the application of extended producer responsibility.</p> <p>Outputs 1.2. Agreement by the Consultative Platform about the fiscal incentives.</p> <p>Output 1.3. Review the status and nature of imports and exports of plastics and develop pathways to reduce the imports and exports of problematic plastics.</p> <p>Output 1.4. Political communication campaign for the legislative and executive power to support the proposed policy framework.</p>						

Objective and Outcome Indicators (no more than a total of 20 indicators)		Data Source	Baseline	Mid-term Target	End of Project Target	Data Collection Methods	Risks/Assumptions
Project component 2	Improving private sector engagement and unlocking investments						
Outcome 2	Indicator 7:  - Number of tax incentives assessed.  - Number of MSMEs assisted to apply and benefit from tax incentives in circular economy.	Official records of DIGECA (MINAE)	-	- At least three (3) tax incentives assessed.	- At least Five (5) MSMEs technically assisted to access tax incentives in circular economy.	Official records of DIGECA (MINAE)	Risks:  Assumptions:  Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.  The industry maintains a strong ambition to reduce plastic pollution.  The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.

	<p>Indicator 8:</p> <p>Investment mobilized towards plastic reduction through circular models, measured by:</p> <ul style="list-style-type: none"> <li>- Green taxonomy inputs for the circular economy of plastics in the F&amp;B sector developed.</li> <li>- Number of ventures/initiatives in plastics circular economy implemented through the Competitive Fund.</li> <li>- Number of MSMEs assisted in accessing green funds towards plastics circularity.</li> </ul>	Official records of DIGECA (MINAE)	-	<ul style="list-style-type: none"> <li>- Green taxonomy inputs for the circular economy of plastics in the F&amp;B sector developed.</li> <li>- Competitive Fund designed.</li> </ul>	<ul style="list-style-type: none"> <li>- At least five (5) initiatives implemented.</li> <li>- At least five (5) MSMEs technically assisted to access funds towards plastics circularity.</li> </ul>	Official records of DIGECA (MINAE)	<p>Risks:</p> <p>Assumptions:</p> <p>Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.</p> <p>The industry maintains a strong ambition to reduce plastic pollution.</p> <p>The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.</p>
Outputs to achieve Outcome 2	<p>Output 2.1. Encourage the use of existing tax incentives related to economic activities for the production or import of packaging/containers from circular solutions for plastic reduction in F&amp;B.</p> <p>Output 2.2. Promote the incubation and acceleration of circular economy initiatives in the private sector.</p> <p>Output 2.3 Promote through financial institutions the granting of green credits for the circular economy.</p>						

Objective and Outcome Indicators (no more than a total of 20 indicators)	Data Source	Baseline	Mid-term Target	End of Project Target	Data Collection Methods	Risks/Assumptions
Project component 3	Financing for pilot projects and business models					
Outcome 3	<p>Indicator 9:</p> <p>Number of pilot projects implemented that apply extended producer responsibilities' mechanisms.</p>	Official records of DIGECA (MINAE).	-	<p>Three (3) feasibility studies developed for:</p> <ul style="list-style-type: none"> <li>- Voluntary Extended Producer Responsibility (EPR) pilot, to involve and impact all value chain</li> </ul>	<p>Three (3) pilot projects implemented:</p> <ul style="list-style-type: none"> <li>- Voluntary Extended Producer Responsibility (EPR) pilot, to involve and impact all value chain</li> <li>- Reuse-Refill of F&amp;B plastic containers</li> </ul>	<p>Official records of DIGECA (MINAE).</p> <p>Risks:</p> <p>Assumptions:</p> <p>Key Stakeholders provide reliable and accurate information about the volumes of plastics being placed in the market in Costa Rica, particularly within the food and beverage industry,</p>

				<p>- Reuse-Refill of F&amp;B plastic containers</p> <p>- Deposit-return scheme for bottles/containers</p>	<p>- Deposit-return scheme for bottles/containers</p>		<p>and are willing to participate in their reduction and in their environmental sound management process.</p> <p>The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.</p> <p>Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.</p> <p>The industry maintains a strong ambition to reduce plastic pollution.</p> <p>The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.</p>
	Indicator 10: Number of pilot projects implemented that apply compostable or plastic substitutes solutions	Official records of DIGEC A (MINAE).	-	One (1) feasibility study developed for compostable or plastic substitutes solutions.	One (1) pilot project implemented that apply compostable or plastic substitutes solutions.	Official records of DIGEC A (MINAE).	<p>Risks:</p> <p>Assumptions:</p> <p>Key Stakeholders provide reliable and accurate information about the volumes of plastics being placed in the market in Costa Rica, particularly within the food and beverage industry, and are willing to participate in their reduction and in</p>



							<p>their environmental sound management process.</p> <p>Key Stakeholders, mainly the private sector, are willing to participate and receive training and capacity built in the adoption of circular solutions for plastics packaging.</p> <p>The industry maintains a strong ambition to reduce plastic pollution</p> <p>The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.</p>
Outputs to achieve Outcome 3	<p>3.1 Feasibility studies for the implementation of EPR mechanisms and non-plastic packaging solutions.</p> <p>3.2 Business model implemented and evaluated for pilot projects that apply extended producer responsibilities' mechanisms.</p> <p>3.3 Business model implemented and evaluated for pilot projects that apply compostable solutions.</p>						

Objective and Outcome Indicators (no more than a total of 20 indicators)	Data Source	Baseline	Mid-term Target	End of Project Target	Data Collection Methods	Risks/Assumptions
Project component 4	Behavior & social change, knowledge and communication					
Outcome 4	Indicator 11: National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and beverage industry designed and implemented.	Official records of DIGECA (MINE).	-	National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and beverage	National consumer behavior change strategy aligned with Circular Economy principles, focusing on the food and beverage	<p>Annual update of the number of people participating and reached through communication activities by the PMU. This information</p> <p>Risks:</p> <p>Assumptions:</p> <p>Key Stakeholders are willing to participate and receive training, awareness raising and capacity built</p>

				industry designed.	industry implemented.  10,000 people (5,000 women, 5,000 men) reached.	would be de-aggregated by gender and recorded in a project beneficiary's database.	in the adoption of circular solutions for plastics packaging.  The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.
	Indicator 12: Educational/communicational system for plastic used reduction implemented.	Official records of DIGECA (MINAE).	-	Educational/communicational system designed.	Two (2) pilots implemented for plastic used reduction implemented by applying the educational/communicational system.  4,000 people (2,000 women, 2,000 men) reached.	Annual update of the number of people participating and reached through communication activities by the PMU. This information would be de-aggregated by gender and recorded in a project beneficiary's database.	Risks:  Assumptions:  Key Stakeholders are willing to participate and receive training, awareness raising and capacity built in the adoption of circular solutions for plastics packaging.  The implementation of the gender action plan will promote the equal and fair participation of women and men in the design of innovative alternatives, benefits, and opportunities in each of its components.

[1] The total amount will arise to 33,610 metric tonnes of CO<sub>2</sub>e avoided in Costa Rica five (5) years after project implementation.

[2] The total amount will arise to 15,453 MT of plastic avoided in Costa Rica five (5) years after project implementation.

[3] The total amount will arise to 0.7 gTEQ to air avoided in Costa Rica five (5) years after project implementation.

## ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)		
	Budgeted Amount	Amount Spent To date	Amount Committed
Travel	12,150.00	12,395.00	0.00
Training, Workshops and Confer	5,000.00	1,582.56	3,000.00
International Consultants	69,600.00	24,868.40	30,000.00
Local Consultants	55,250.00	67,629.34	2,623.17
Professional services	3,000.00	0.00	3,000.00
Audio Visual & Print Prod Costs	5,000.00	4,401.05	500.00
<b>Total</b>	<b>150,000.00</b>	<b>110,876.35</b>	<b>39,123.17</b>

## ANNEX E: PROJECT MAP AND COORDINATES

Please provide geo-referenced information and map where the project interventions will take place

Location Name	Latitude	Longitude	GeoName ID
San José de Costa Rica	9.95027	-84.13238	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Costa Rica	10.35984	-83.43275	

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Location Description:

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Activity Description:

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Please provide any further geo-referenced information and map where project interventions are taking place as appropriate.

## 1. Geographic Regions of Costa Rica



Costa Rica is located on the Central American isthmus, between the geographic coordinates 8° and 11° north latitude, 82° and 85° west longitude. For Public Administration purposes, the national territory is divided into 7 provinces and 84 cantons.

## **1. Preliminary regions for Output 3.2.1 , 3.2.2, 3.2.3, 4.1 and 4.2 implementation**

For the five pilots outlined:

1. Voluntary Extended Producer Responsibility (EPR) pilot (3.2.1)
2. Reuse-Refill pilots of F&B plastic containers in small retailers and/or in fast food chains, in urban areas (3.2.2)
3. Plastic waste reduction through deposit-return scheme for bottles/containers of different brands or producers (3.2.3)
4. Consumer Behavior change strategy: campaign for consumers behavior change (4.1)
5. Educational strategy for consumers to support circular economy. (4.2)

The proposed implementation region is the urban area, specifically the Great Metropolitan Area, which encompasses parts of the provinces of Alajuela, Heredia, San José, and Cartago.



Please note that for Output 3.2.2, it may also be consider including small retailers (e.g., pulperías) and/or fast food chains in regions beyond urban areas. Additionally, for Output 4.2, rural or coastal/touristic areas should also be taken into consideration.

## ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS DOCUMENTS INCLUDING RATING

Attach agency safeguard datasheet/assessment report(s), including ratings of risk types and overall project/program risk classification as well as any management plans or measures to address identified risks and impacts (as applicable).

Title

Annex 9. Environmental and Social Management Framework

Annex 5

## ANNEX G: BUDGET TABLE

Please upload the budget table here.

Annex 1. GEF Budget 9630. Rev.13.11.2024

Expenditure Category	Detailed Description								Total (USDeq.)	Responsible Entity
		Component 1	Component 2	Component 3	Component 4	Sub-Total	M&E	PMC		(Executing Entity receiving funds from the GEF Agency)[1]
		Outcome 1	Outcome 2	Outcome 3	Outcome 4					
Equipment	Required machinery and equipment for demonstration activities (e.g. bulk dispensers; machines for the bottles/containers return.)	-	-	210,000	-	210,000			210,000	United Nations Development Programme
Equipment	Required machinery and equipment for demonstration activity (e.g for compostable materials production or packaging)	-	-	38,700	-	38,700			38,700	United Nations Development Programme
Equipment	Standard IT equipment for the PMU (computers)	-	-	-	-	-		6,475	6,475	United Nations Development Programme
Equipment	Standard office equipment and furniture (e.g. Desks, chairs)	-	-	-	-	-		2,000	2,000	United Nations Development Programme
Grants	Grants to support the implementation of 5 selected initiatives (Output 2.2)	-	220,000	-	-	220,000			220,000	United Nations Development Programme
Contractual services-Individual	Project Coordinator	50,000	50,000	50,000	50,000	200,000			200,000	United Nations Development Programme
Contractual services-Individual	Economics/Finance Specialist		150,000			150,000			150,000	United Nations Development Programme
Contractual services-Individual	Plastics Circular Economy Specialist			150,000		150,000			150,000	United Nations Development Programme
Contractual services-Individual	One local individual (Project Administrative Assistant). See annex 7 for additional details	-	-	-	-	-		133,000	133,000	United Nations Development Programme

Contractual services-Individual	M&E Officer	-	-	-	-	-	90,000		90,000	United Nations Development Programme
Contractual services-Company	Contracted services for targeted assessments and site-specific ESMPs	-	10,000	-	-	10,000			10,000	United Nations Development Programme
Contractual services-Company	Services to support the design of a technical justification for EPR for plastics packing and containers	50,000	-	-	-	50,000			50,000	United Nations Development Programme
Contractual services-Company	Services to support the design and implementation of a behavioral change strategy	-	-	-	120,000	120,000			120,000	United Nations Development Programme
Contractual services-Company	Services to support the design and implementation of the institutionalization strategy of sectoral dialogue roundtables towards circularity.	30,000	-	-	-	30,000			30,000	United Nations Development Programme
Contractual services-Company	Services to support the design and implementation of the educational/communicational system	-	-	-	74,000	74,000			74,000	United Nations Development Programme
Contractual services-Company	Services to support the design and implementation of the Political communication campaign strategy.	40,000	-	-	-	40,000			40,000	United Nations Development Programme
Contractual services-Company	Services to support the development and implementation of the business models for the adoption of plastics substitutes.	-	-	180,000	-	180,000			180,000	United Nations Development Programme
Contractual services-Company	Services to support the development and implementation of the following business models for: i) Voluntary Extended Producer Responsibility (EPR) pilot; ii) Reuse-Refill pilots ; iii) deposit-return scheme for bottles/containers.	-	-	1,020,000	-	1,020,000			1,020,000	United Nations Development Programme
Contractual services-Company	Contracted services for targeted assessments and site-specific ESMPs			10,000		10,000			10,000	United Nations Development Programme
Contractual services-Company	Services to support the development of the green taxonomy, the supply and demand for credit assessment, and capacity building in companies, MSMEs and associations to access credit.	-	125,000	-	-	125,000			125,000	United Nations Development Programme
Contractual services-Company	Services to support the feasibility studies for Output 3.2 and Output 3.3	-	-	50,000	-	50,000			50,000	United Nations Development Programme
International Consultants	International SES consultant to ensure alignment of the assessment and management process (Output 3.2, Output 3.3)	-	-	5,000	-	5,000			5,000	United Nations Development Programme
International Consultants	International Consultant for the MTR	-	-	-	-	-	20,000		20,000	United Nations Development Programme
International Consultants	International Consultant for the TE					-	20,000		20,000	United Nations Development Programme



International Consultants	One international consultant to support tax incentives assessment	-	15,000	-	-	15,000			15,000	United Nations Development Programme
International Consultants	One international consultant to support the identification of problematic plastics, and the tariff code definition and analysis.	30,000	-	-	-	30,000			30,000	United Nations Development Programme
Local Consultants	Local consultant for MTR	-	-	-	-	-	5,000		5,000	United Nations Development Programme
Local Consultants	Local consultant for TE					-	5,000		5,000	United Nations Development Programme
Local Consultants	One local technical consultant to support the assessment and review of imports/exports. (output 1.3)	17,500	-	-	-	17,500			17,500	United Nations Development Programme
Local Consultants	One local technical consultant to support the Consultative Platform. (Output 1.2)	20,000	-	-	-	20,000			20,000	United Nations Development Programme
Local Consultants	One local technical consultant to support capacity building programme in key stakeholders. (Output 2.1)	-	20,000	-	-	20,000			20,000	United Nations Development Programme
Local Consultants	One local technical consultant to support the drafting of legal instrument. (Output 1.1)	35,000	-	-	-	35,000			35,000	United Nations Development Programme
Local Consultants	One local technical consultant to support behavioral change strategy. (Output 4.1)	-	-	-	20,000	20,000			20,000	United Nations Development Programme
Local Consultants	One local technical consultant to support the educational/communicational system. (Output 4.2)	-	-	-	20,000	20,000			20,000	United Nations Development Programme
Training, Workshops, Meetings	Inception workshop	-	-	-	-	-	10,000		10,000	United Nations Development Programme
Training, Workshops, Meetings	Training/Workshops to support the implementation of the behavioral change strategy demonstration activity.	-	-	-	32,000	32,000			32,000	United Nations Development Programme
Training, Workshops, Meetings	Training/Workshops to support the implementation of the educational/communicational system.	-	-	-	28,182	28,182			28,182	United Nations Development Programme
Training, Workshops, Meetings	Training/Workshops to support the implementation of the Political Communication Campaign.	15,000	-	-	-	15,000			15,000	United Nations Development Programme
Training, Workshops, Meetings	Trainings and workshops to support dissemination and capacity building for the drafted policies; regulations.	2,500	-	-	-	2,500			2,500	United Nations Development Programme
Training, Workshops, Meetings	Trainings and workshops to support dissemination and capacity building to support the use of tax incentives related to business models based on circular economy in the plastics value chain.	-	15,000	-	-	15,000			15,000	United Nations Development Programme

Training, Workshops, Meetings	Trainings and workshops to support the inter-sectoral workshops, the consultation related to the fiscal instruments strategy and generation of knowledge for sustainable public procurement.	7,500	-	-	-	7,500			7,500	United Nations Development Programme
Travel	Annual Participation in the IP Programme: 4 staff per year (Ticket + 4 days DSA)	-	-	-	52,000	52,000			52,000	United Nations Development Programme
Travel	Local travel to support the implementation of the behavioral change strategy demonstration activity.	-	-	-	8,000	8,000			8,000	United Nations Development Programme
Travel	Local travel to support the implementation of the educational/communicational system in the selected pilot sites.	-	-	-	6,000	6,000			6,000	United Nations Development Programme
Travel	Local travel to support the monitoring of the progress for the 5 initiatives. + support for targeted assessment consultations	-	5,000	-	-	5,000			5,000	United Nations Development Programme
Travel	Supervision and learning missions.	-	-	-	-	-	10,729		10,729	United Nations Development Programme
Travel	Travel to support the implementation of the demonstration activities.+ support for targeted assessment consultations	-	-	35,000	-	35,000			35,000	United Nations Development Programme
Travel	Travel to support the implementation of the demonstration activity.+ support for targeted assessment consultations	-	-	3,800	-	3,800			3,800	United Nations Development Programme
Office Supplies	Office supplies	-	-	-	-	-		500	500	United Nations Development Programme
Other Operating Costs	Audio Visual and Print Production Cost to support the implementation of the behavioral change strategy demonstration activity.	-	-	-	15,000	15,000			15,000	United Nations Development Programme
Other Operating Costs	Audio Visual and Print Production Cost to support the implementation of the educational/communicational system.	-	-	-	15,000	15,000			15,000	United Nations Development Programme
Other Operating Costs	Audio Visual and Print Production Cost to support the implementation of the Political Communication Campaign.	12,500	-	-	-	12,500			12,500	United Nations Development Programme
Other Operating Costs	Audit Services	-	-	-	-	-		25,000	25,000	United Nations Development Programme
Other Operating Costs	Materials required for the implementation of the educational/communicational system.	-	-	-	24,000	24,000			24,000	United Nations Development Programme
Other Operating Costs	Materials required to implement demonstration activities, (e.g for the replacement of single use plastics.)	-	-	47,500	-	47,500			47,500	United Nations Development Programme

Other Operating Costs	Materials required to the implementation of the behavioral change strategy (e.g. for replacement single use plastics)	-	-	-	30,000	30,000			30,000	United Nations Development Programme
Other Operating Costs	Miscellaneous (such as Bank charges, insurances, sundry).	-	-	-	-	-		362	362	United Nations Development Programme
Other Operating Costs	Translation of MTR and TE	-	-	-	-	-	5000		5,000	United Nations Development Programme
<b>Grand Total</b>		<b>310,000.00</b>	<b>610,000.00</b>	<b>1,800,000.00</b>	<b>494,182.00</b>	<b>3,214,182.00</b>	<b>165,729.00</b>	<b>167,337.00</b>	<b>3,547,248.00</b>	

Please explain any aspects of the budget as needed here

N/A

## ANNEX I: RESPONSES TO PROJECT REVIEWS

From GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF.

N/A