

Circular solutions to plastic pollution

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11186

Countries

Costa Rica

Project Name

Circular solutions to plastic pollution

Agencies

UNDP

Date received by PM

8/9/2024

Review completed by PM

11/14/2024

Program Manager

Evelyn Swain

Focal Area

Multi Focal Area

Project Type

FSP

CEO

Part I - General Project Information

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

Secretariat comment at CEO Endorsement Request

On Project Title: the Child project's title is identical to that of the Program ? this will create duplication in the reports. Please modify the Project's title in agreement with the country. This change could simply be adding "in Costa Rica" to the title. Please email the new title to Evelyn Swain and she can have it updated in the system.

Please include Government of Costa Rica, following ?MINAE? in Project Executing Entity field

Remove ?Mixed & Others? from Project Sector. CCM only

ES, 11/11/24: Comments addressed.

Agency Response

Corrected in portal.

UNDP 11/18/2024

Request for change of project name was sent to Ms. Evelyn Swain. This change was discussed with the local authorities.

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

Secretariat comment at CEO Endorsement Request

Please add Rio markers

ES, 11/11/24: Comments addressed.

Agency Response Rio markers were added.

2. Project Summary.

a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?

b) Does the summary capture the essence of the project and is it within the max. of 250 words?

c) [If a child project under a program] Does the project summary include adequate and substantive link with the parent program goal and approach?

Secretariat comment at CEO Endorsement Request

The summary makes no reference to the problem to be addressed. There is no explanation on how the child project fits in the broader context of the program. If this project is transformative, how so?

Please revise within the 250 word limit.

Please check the figures on beneficiaries in summary. 10,770,000 beneficiaries is not in line with the proposed Core Indicator 11 target.

ES, 11/11/24: Comments addressed.

Agency Response

The summary was updated, including the problem to address and adjusting the number of beneficiaries.

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 (MINAE) 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 TCO₂e/y reduced; 0.3 gTEq/y of UPOPs avoided and 7,726 MT of plastic waste avoided **directly** benefiting **289,454** (144,727 women and 144,727 men) inhabitants of the country.

3. Project Description Overview

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

Secretariat comment at CEO Endorsement Request

On TOC:

It would be useful to map the identified barriers to the outputs and ?solutions? in the TOC. In other words, depict which outputs will help to overcome which barrier(s).

Are the ?solutions? outcomes? A more simplified TOC would be helpful, which pictures change flows with arrows.

The TOC should somewhat match the project overview table. These aren?t congruent.

The 16,805 TCO 2e/y reduced etc/direct beneficiaries is not an output but an outcome. Please revise.

On components:

A number of project outputs do not read as outputs, nor are they ambitious enough to effect change. Please recast as necessary. Examples:

?Output 1.4. Political communication campaign for the legislative and executive power to support the proposed framework?. This output should include ?designed and implemented?.

?Output 1.2 Agreement by the Consultive Platform about the fiscal incentives? is not an output, rather it is an outcome. What outputs feed into facilitating the agreement?

Output 1.1 is not clear. What geography does the new policy framework cover? What are the actions the project will take (design, implement?). What does "by the application of extended producer responsibility" mean?

Output 2.1 "Encourage" is a vague output. Please be more specific.

In general, outputs need to have numbers attached to them, where appropriate. For example, "Output 2.2. Promote the incubation and acceleration of circular economy initiatives in the private sector". How many initiatives? How many private sector companies targeted?

Similarly, for Output 2.3. "Promote through financial institutions the granting of green credits for the circular economy". How many green credits? How many financial institutions?

Output 3.1. How many feasibility studies? There should also be an output on feasibility study usage.

Output 3.2 and 3.3 are quite vague.

The Output 4.1 and 4.2 strategies should include an implementation element.

The knowledge management element appears to be largely missing from the outputs.

Gender, as noted below, must be embedded in the outputs. Please revise

On gender, KM, and M&E:

Please remove the decimals in Project Management Costs ? also request the Agency to add outcomes and outputs to the M&E component.

Outcome "M&E Implemented" is not a sufficient outcome. Please be more specific. Please also list M&E Outputs, rather than just "M&E"

Knowledge Management: KM is not properly built into the project structure in the overview table. Please revise

Gender is not present in the project structure in the overview table. To properly mainstream gender dimensions, the project must include specific gender outputs. Please revise.

Please remove cents from the budget.

ES, 11/11/24:

Output 1.1 - The geographic scope of the policy framework is still missing. Are these 15 regulations/standards then being proposed to local governments? Please clarify in the output what happens after development.

Output 4.3 still reads as an outcome. Please include specific outputs in the project overview table.

Gender aspects are still missing from the outputs in the project overview table. Please include on revision, as gender mainstreaming cannot be achieved without specific gender outputs in the project framework.

M&E: Please note GEF no longer uses the tracking tool. Please remove. Ideally, M&E outputs should not be lumped together.

ES, 11/14/24: Comments addressed.

Agency Response

b) The TOC has been updated and the narrative for the problem tree analysis was included.

c) Noted, with thanks. Project Outputs were revised accordingly.

The Gender Analysis and Action Plan Annex identifies activities to mainstream gender in each of the Outputs, defining, as well, indicators for their accomplishment.

Knowledge Management and lessons learned are mainstreamed among the different components and activities of the Project. In particular, Output 4.3 describes knowledge management and its alignment, coordination and sharing with the Global Project.

The Annex 10 details within the section "Activities proposed for the implementation of the project" specific activities to mainstream gender in each of the Outputs of the project and defines as well its indicators. The Annex 10 "Gender Analysis and Action Plan" has been translated for better understanding.

d) M&E was reviewed, including Outcome and Outputs.

Output 4.3 was revised.

The Annex 10 details within the section "Activities proposed for the implementation of the project" specific activities to mainstream gender in each of the Outputs of the project and defines as well its indicators. The Annex 10 "Gender Analysis and Action Plan" has been translated for better understanding.

e) The budget does not have cents. On the other hand, co-financing amounts has cents which is directly linked to the signed co-financing letters.

UNDP 11/13/2024

Regarding Output 1.1, the geographic scope is at national level as stated in the following sentence ?Through this Output the project will support the enhancement of national regulatory framework?. Likewise, the description of the output has been updated by introducing the term ?national? in each of the activities.

In addition, for the clarification of what happens after development, the following text has been included ?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.?

Gender aspects are already described in each of the Outputs when applicable. However, the following Outputs titles were updated introducing gender considerations:

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.**

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 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.**

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.

Regarding Output 4.3, it was updated as follows: **?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.?**

In terms of M&E, the tracking tool was removed. As usually designed in UNDP/GEF project documents, and understanding it is not a mandatory requirement, M&E activities are grouped in Output 5.1.

4. Project Outline

A. Project Rationale

a) Is the current situation (including global environmental problems, key drivers of environmental

degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?

b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?

c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?

Secretariat comment at CEO Endorsement Request

Please provide a narrative for the problem tree analysis, supported by scientific evidence. Clearly articulate the environmental problem (not just the development challenge) and key drivers.

On private sector:

Three private companies produced 80% of the plastic bottles for beverages (FIFCO, FEMSA and Dos Equis). 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.

Excellent that the project addresses production and sources and demand in a value chain approach and has an excellent base of companies with whom to work listed in table 7.

There is an excellent base of co-finance from the private sector and from philanthropic sources with the key actors.

ES, 11/11/24: Comments addressed.

Agency Response

As requested, the narrative for the problem tree analysis was included.

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[1]¹. 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:

¹ <https://www.mh.gob.cr/web/guest/indicadores>

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.

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.

[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).

5 B. Project Description

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

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

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and

non-GEF), lessons and experiences in the country/region? [If a child project under a program] Does the description include how the alternative aligns with and contributes to the overall program goal and approach?

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

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

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

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

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

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

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

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

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

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

Secretariat comment at CEO Endorsement Request

M&E is not described in the description section, from an output perspective. Please include. It is currently embedded in Component 4, but should be a separate Component 5.

The baseline scenario is only partly developed, focusing on institutional frameworks and tax incentives. But what about projects upon which the project will build/leverage? The incremental cost reasoning could also be stronger (framed as ?without the GEF increment.... with the GEF increment...?).

It is not clear where in the project description the co-benefits of reduced air pollution and created job opportunities is described. Please explain.

Please explain the adaptive management measures and resilience in design.

Gender responsive measures are answered Yes, yet the measures are not explicitly built into the project structure. Please revise project structure or responses under this section.

Knowledge management explanation needs strengthening.

ES, 11/11/24: Gender comment not addressed. See above.

ES, 11/14/24: Comments addressed.

Agency Response

M&E has been included in the description section.

The baseline scenario was developed with focus in the institutional, tax incentives but also plastic volumes (and management) being used in Costa Rica, as well as their contribution to UPOPs, plastic waste and GHG as the main indicators (GEBs) to be addressed by the Project.

The projects and initiatives upon which the project will build/leverage are detailed in ?On going Initiatives Table? which was updated indicating how the IP in Costa Rica will articulate/coordinate with them.

The incremental reasoning was introduced.

The co-benefits were explained.

Enabling elements for Project Design were considered, as per STAP guidance. The adaptative management measures during project implementation is ensured through the structured Monitoring and Evaluation activities, which have been included as mentioned previously.

The Annex 10 details within the section ?Activities proposed for the implementation of the project? specific activities to mainstream gender in each of the Outputs of the project and defines as well its indicators. The Annex 10 ?Gender Analysis and Action Plan? has been translated for better understanding.

Knowledge management explanation was strengthened.

UNDP 11/13/2024

Adjustment made to Output descriptions, as mentioned in the comment above (please see Part I, 2, b)).

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?

b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?

c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).

d) [If a child project under an integrated program] Does the framework for coordination and collaboration demonstrate consistency with overall ambition of the program for transformative change?

Secretariat comment at CEO Endorsement Request

GEF OFP have requested UNDP to provide support services in the amount of USD\$ 58,000 for the full duration of the project. The GEF has not yet agreed to this. Each request for an exception to GEF policy to allow execution support, including the request from the government of Costa Rica, can be assessed objectively on a case-by-case basis. In many cases UNDP has been able to provide support covered by UNDP's Agency Fee. Any execution support provided should be limited and cover only specific, defined services that cannot be executed by the national partner due to capacity or regulatory limitations, e.g. financial transfers, procurement support, etc. We would expect the associated costs of providing such support to therefore be limited, and the administration thereof by UNDP covered by the Agency Fee. It should also be clear that the national executing entity remains the accountable party for execution activities under any agreement with UNDP.

Project management: The five identified staff positions (per the organogram) should be briefly described. And a detailed TORs for each of these positions should be included in the portal documents tab (it appears to be missing).

The descriptions of ongoing initiatives do not include how the project will build off/cooperate/leverage these initiatives. Please revise.

ES, 11/11/24: Please clarify if there will be any additional fees for support to execution. The five identified positions are not described in the project document. Please revise.

The ToRs annex is empty in the UNDP Project Document. A separate annex was not uploaded to the Portal. Please upload so GEF Sec can review ToRs.

ES, 11/17/24:

In the Review Sheet the Agency mentioned that (i) the Government of Costa Rica requested UNDP to provide executing services, and (ii) the GEF Secretariat approved the exception. However, we did not find a letter of support signed by the OFP but the standard letter of agreement (attached), which is not valid, neither we found the Managerial approval on the exception. Unless these two points (Letter of Support Signed by the OFP and GEF Managerial approval) are obtained, UNDP must remove themselves from executing functions throughout all the documents, including their role as Responsible Executing Entity in the Budget Table.

ES, 11/18/24: Comment addressed.

Agency Response

Annex with detailed TOR for project staff was uploaded. (Named "Annex 7_Soluciones Ciruclares_Technical Consultancies_Versio?n 10.06".)

b) ?UNDP has been requested to provide certain operational execution support services to supplement a number of capacity gaps on the part of the Government and has submitted this for approval to the GEF. UNDP has assessed this request based on the current capacity constraints experienced by the Government. The services which UNDP will provide have been detailed in a Letter of Agreement with the Executing Entity and, as per UNDP financial regulations and rules. This process follows established protocol with the GEF. Please note that any support to execution that would be provided by UNDP is distinct from the oversight implementation function for which UNDP receives fee.?

c) The description of ongoing initiatives was revised including the requested information.

UNDP 11/13/2024

As described in the Institutional arrangement section UNDP confirms there will not be any additional fees for support to execution:

?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.?

The ToR were re uploaded to ensure proper access (file name: Annex 7_Soluciones Ciruclares_Technical Consultancies_Versio?n 13.11.2024). This Annex contains the 5 positions as well as all the technical consultancies budgeted for the project implementation.

UNDP 11/18/2024

Please note that the Letter of Support to request GEF Agency Execution was already uploaded to the portal, during the initial submission. It is uploaded again for easy reference (file name: Annex 2. GEF_OFP_Letter_Support_Agency_Execution PIMS 9630).

5.3 Core indicators

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

Secretariat comment at CEO Endorsement Request

It is not clear how this project contributes to Core Indicator 7 and specifically 7.3. Please explain. Please explain how this project will coordinate with IW:LEARN. This is missing in the institutional arrangements and coordination with ongoing initiatives section.

Direct beneficiaries methodology needs to be better explained in the document. Please review the number to ensure it includes only direct beneficiaries. Pages 24-25 of the GEF-8 Results Measurement Framework Guidelines (GEF/C.62/Inf.12/Rev.01) provide examples of what might be counted as direct beneficiary. Please bring forward explanation from annex.

Ensure Core Indicator totals appear at top of each Core Indicator drop down menu. In some cases totals are missing (i.e. CI 9).

ES, 11/11/24: It is noted that IW:LEARN activities will be done through the GCP. However, Core Indicator 7 (including 7.3) calculations need to be present in the field below the Core Indicator table. Please include.

Core Indicator 7 should be ?1? not ?0?.

CI 7.3 should be populated.

ES, 11/14/24: Comments addressed.

Agency Response

UNDP 11/13/2024

As requested, the CI 7 and the CI 7.3 were included.

IW LEARN will be done through the Global Component and the Childs will be able to provide inputs.

Direct Beneficiaries: explanation from annex was included.

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		289,454	144,727	144,727	

5.4 Risks

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

Secretariat comment at CEO Endorsement Request Risk table is included.

Agency Response

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

Secretariat comment at CEO Endorsement Request NA

Agency Response

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

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

Secretariat comment at CEO Endorsement Request

Please expand this section.

ES, 11/11/24: Comment addressed

Agency Response

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

Secretariat comment at CEO Endorsement Request

Please expand this section.

11/11/24: Comment addressed

Agency Response

Information added.

"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."

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

Secretariat comment at CEO Endorsement Request

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

ES, 11/11/24: Comment addressed

Agency Response

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.

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request Yes.

Agency Response

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement Request

Please integrate the activities and actions developed in the Gender Action Plan into the Project Document, for example, in Outputs 1.1 and 1.4. Consider including networks such the Gender and Chemicals Partnership (<https://gender-chemicals.org/gandcpartnership>) among the stakeholders to be consulted. In line with the Action Plan, please also ensure that women-led SMEs are targeted in the pilot-programs, Outputs 3.2 and 3.3, and that all KM products and activities capture good practices and lessons learned from a gender perspective. During project implementation, the Agency is requested to include in the PIRs, MTR and TE, a review and reporting of the GAP and relevant gender dimensions of the project.

ES, 11/11/24: See comments above on gender.

ES, 11/14/24: Comments addressed.

Agency Response

Gender Action Plan activities were integrated to the Outputs in the Project Document.

Lessons learned including gender perspective were detailed in Knowledge Section.

Review and reporting of the GAP and relevant gender dimensions in the PIRs, MTR and TE were detailed in M&E activities. (Output 5.1)

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Gender aspects are already described in each of the Outputs when applicable. However, the following Outputs titles were updated introducing gender considerations:

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.**

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 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.**

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.nomy initiatives in the private sector, with focus on those led by young people and women.

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.

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.

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

8 Annexes

Annex A: Financing Tables

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

STAR allocation?

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

Focal Area allocation?

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

SCCF A (SIDS)?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

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

Secretariat comment at CEO Endorsement RequestNA

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

8.2 Project Preparation Grant (PPG)

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

Secretariat comment at CEO Endorsement Request

Please clarify what "Professional Services" entail.

ES, 11/11/24: Please respond to comment in the agency response section below.

ES, 11/14/24: Comments addressed.

Agency Response

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The professional services entail translation services.

8.3 Source of Funds

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

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

Secretariat comment at CEO Endorsement Request Yes.

Agency Response

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

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

Secretariat comment at CEO Endorsement Request

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

The following letters of cofinancing support are lacking a date: Cooperativa de Productores de Leche Dos Pinos R.L. (\$5m, Fundación OneSea \$3m, Fundación para la Sostenibilidad y la Equidad \$1.83m, Plastic Waste Industries \$900k).

Please consider including an updated estimation of the actual amount that the Agency (with the help of the co-financier if possible) think will really go to the project considering the timeframe of both the co-finance and the GEF project.

ES, 11/14/24: Comments addressed.

Agency Response

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Updated letters have been uploaded.

An update estimation is not needed as it was already considered the timeframe of the project when identifying the co-financing figures presented.

Annex B: Endorsements

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

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

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

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

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

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

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

Annex C: Project Results Framework

8.6 a) Have the GEF core indicators been included?

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

c) Are all relevant indicators sex disaggregated?

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

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

Secretariat comment at CEO Endorsement Request

Core Indicator 7 targets are missing. Please revise.

Core Indicator 9 and Core Indicator 6 and Core Indicator 10 targets in results framework do not match Core Indicator table figures, but it is noted that the correct targets are footnoted, to be achieved 5 years after project implementation.

Please revise once gender dimensions are better incorporated into outputs in project overview table. Please consider whether more than two of the current indicators can be sex disaggregated.

ES, 11/11/24: Comments addressed.

Agency Response

In the child project proposal there were not target for CI 7.

The core indicator 6, 9 and 10 listed in the results framework correspond to the targets expected during the 5 year of implementation of the project.

Gender Indicators are included within the Annex 10 ?Gender Analysis and Action Plan?. Mainstreaming gender activities and its indicators are defined per Output of the Project. The Annex has been translated for better understanding.

Annex E: Project map and coordinates

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

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

Annex F: Environmental and Social Safeguards Documentation and Rating

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

Secretariat comment at CEO Endorsement RequestYes.

Agency Response

Annex G: GEF Budget template

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

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

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

Secretariat comment at CEO Endorsement Request

The budget table does not follow the GEF budget template. The included budget is broken down by Outcome and Output. The template requires a breakdown by Component and Outcome. Please revise. Please ensure column totals equal the figures presented in the project overview table.

Budget will be reviewed once budget is presented in proper format (template).

The TORs for the project staff appear to be missing. The Annex in the Agency Project Document links to the UNDP standard TOR for project board or steering committee. Detailed TORs are required for all project staff at this stage, which will then be cross referenced against the budget table.

7. On the budget from OP:

- a. The Agency needs to present the table using the components ? please eliminate the outputs column, otherwise, the table will continue being not readable read.
- b. UNDP is shown as the responsible executing entity ? unless the GEFSEC approves the request for the Agency to execute parts of the project (in which case, UNDP will only be included as responsible entity in those authorized activities), this needs to be adjusted.
- c. Some budget items are merged, impeding a proper analysis of what is the individual costs, and whether the cost is correctly charged to the different budget sources (project components, M&E, PMC). For instance, the Project Coordinator is repeated in other budget lines. Being essential for the project execution, these two positions should be 100% charged to PMC.
- d. There are many other positions/consultancies that are broken down in several budget lines ? please ask the Agency to re-do the budget so each position/consultancy providing a description with the reasonable number of words that allows the understanding of what they entail (that is the reason for having a budget table of 15 pages)
- e. Some budget lines are presented as ?Services to support the design and implementation of ?? ? by following the guidance in the above point d. (each position/consultancy providing a description with the reasonable number of words), please ask the Agency to transform these budget lines in itemized ?positions? or ?specific consultancies, so one would understand what is proposed to be hired.
- f. Please ask the Agency to clarify which staff are they referring to in the budget line ?Annual Participation in the IP Programme: 4 staff per year (Ticket + 4 days DSA)?
- g. Supervision (and learning) missions are meant to be covered by the Agency Fee ? please ask the Agency to clarify why is this being included.

ES, 11/11/24: TORs still not found in the portal. Please upload.

c, d and e. Not addressed. Please follow GEF budget template and ensure positions are not merged nor are presented across several lines.

ES, 11/17/24:

Now most of the budget items are itemized, excepting that for the Project Coordinator. The total cost for this position is \$400,000, which is fully charged to the project components. When

looking for the TORs in the ProDoc (page 111 in the attached word document), there is a hyperlink ? when clicking the hyperlink, it takes you to a document whose title is ?UNDP Standard Terms of Reference (ToR) for a Development Project Board or Project Steering Committee ? December 2021 version? (see screenshot below). On this position, per Guidelines the people mapped to the Project Management Unit must be charged to the GEF and co-financing resources allocated to PMC ? if charged to the project components, TORs specifying the specific deliverables for each component are required. Please ask the Agency to include the TORs in the ProDoc ? per the resubmission, we will assess and provide comments as appropriate.

ES, 11/18/14: Comments addressed.

Agency Response

The GEF Budget template was revised accordingly.

The Annex of detailed TOR for project staff was uploaded.

Answers to 7:

- a) It was adjusted in the new version of the budget.
- b) The execution support was approved by the GEFSEC. As UNDP policy, the overall accountability for the implementation of a project rests with the Implementing Partner and there can only be one IP per project (in this case MINAE). UNDP cannot do anything in a project unless it has been requested by the government (hence, they are in charge). If the Ministry (as IP) requests UNDP to execute an activity under COS to NIM, then UNDP would be the Responsible Entity.
- c) d) e) Kind request to review the TBWP on the UNDP ProDoc for a more detailed description of the expenditure activities. the descriptions included follow the budget notes as on the TBWP. The TBWP is based on the structure of UNDP's ERP and follows its internal IPSA accounting rules, which require for all categories of expenditures to be included under each account, output, outcome and component. Modifying the budgets through an itemization would not allow for an adequate functioning of the ERP systems for the tracking of budgets and expenditures.
- f) This is in line with a request from the Global Program, 4 staff were budgeted to participate, these will be defined during the implementation but in principle they would be members of the PMU and the Ministry. They do not correspond to UNDP staff.
- g) These supervision activities correspond to monitoring and supervision by project team as part of their regular duties, it is not the same of UNDP's oversight. These missions are not for UNDP's staff but for PMU and Ministry staff.

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ToR uploaded to the portal. Please see file ?Annex 7_Soluciones Ciruclares_Technical Consultancies_Versio?n 13.11.2024?).

The GEF Budget template was updated, and positions are no longer merged nor presented across several lines.

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TORs for the project coordinator contains technical functions, as required per guidelines, so it can be charged to the project components.

Please note that Annex 7 contains the TORs for the project team, the hyperlink in the ProDoc is for the TORs of the Steering Committee of the project. Annex 7 was already uploaded, but it is uploaded again for easy reference (file name: Annex 7_Soluciones Ciruclares_Technical Consultancies_Versio?n 13.11.2024).

Annex H: NGI Relevant Annexes

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

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

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

Secretariat comment at CEO Endorsement RequestNA

Agency Response

Additional Annexes

9. GEFSEC DECISION

9.1.GEFSEC Recommendation

Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

Not at this time. Some issues remain.

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

ES, 11/18/24: Comments addressed. CEO Endorsement is recommended.

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

Secretariat comment at CEO Endorsement Request

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	9/10/2024	
Additional Review (as necessary)	11/11/2024	
Additional Review (as necessary)	11/14/2024	
Additional Review (as necessary)	11/17/2024	
Additional Review (as necessary)	11/18/2024	